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LEGISLATIVE HISTORY
Public Law 91-524
H. R. 18546

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INDEX AND SUMMARY OF H.R. 18546

July 21, 1970	Rep. Poage introduced H.R. 18546 which was referred to House Agriculture Committee. Print of bill as introduced.
July 22, 1970	House Committee voted to report H.R. 18546.
July 23, 1970	House Committee reported H.R. 18546 with amendments. H. Rept. 91-1329. Print of bill and report.
July 24, 1970	Sen. Dole introduced S. 4118, which was referred to Senate Agriculture and Forestry Committee. Print of bill as introduced.
July 29, 1970	Rules Committee granted rule for consideration of H.R. 18546.
Aug. 4, 1970	House began debate on H.R. 18546.
Aug. 5, 1970	House passed H.R. 18546 with amendments.
Aug. 6, 1970	H.R. 18546 was referred to Senate Agriculture and Forestry Committee. Print of bill as referred.
Aug. 19, 1970	Senators submitted amendments.
Aug. 28, 1970	Senate Committee reported H.R. 18546. S. Rept. 91-1154. Print of bill and report.
Sept. 9, 1970	Rep. Conte inserted articles regarding H.R. 18546.
Sept. 14, 1970	Senate began debate on H.R. 18546.
Sept. 15, 1970	Senate passed H.R. 18546 with amendments. Print of bill as passed Senate.
	Senate conferees were appointed.
Sept. 16, 1970	House conferees were appointed.

Oct.	12, 1970	House received conference report on H.R. 18546. H. Rept. 91-1594. Print of report.
Oct.	13, 1970	House agreed to conference report on H.R. 18546.
Nov.	19, 1970	Senate agreed to conference report on H.R. 18546.
Nov.	30, 1970	Approved: Public Law 91-524.
		Print of President's statement when signing H.R. 18546

91st CONGRESS
2d Session

H. R. 18546

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 1970

Mr. POAGE (for himself and Mr. BELCHER) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1970".

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agree-

ment Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base alloca-

tion in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so

allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later, pursuant to the provisions of section 8c(5)(D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the

production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f) : *Provided,* That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c (12) and the last sentence of section 8c (19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately ap-

proved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of

1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing

"December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "*Provided further*, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided*,

That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 401. Effective only with respect tot he 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b (c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or

other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by

the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements

in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set

aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall issue certificates to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates so issued shall not be reduced if the

face value as finally determined is less than the preliminary face value.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a) (1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop.

The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county do-

mestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new

cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no

acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive payment for such portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing

years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d(b) the following:

"Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat."

(3) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops

of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as

amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for the current crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "*Provided,* That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the

Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation

of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b) (1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as

the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e) (2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which

payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed

grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That

such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in con-

formity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e) (1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided,* That except for acreage provided for in subsection (b) (3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is author-

ized to draw upon the acreage pool provided for in subsection (b) (3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b) (3).

"(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the

Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and

stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and

subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided,* That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basic of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net

weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b) : *Provided*, That the State com-

mittee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e) (1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rota-

tion practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be consid-

ered to be an acreage planted to cotton: *Provided,* That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the

production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided*, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103 (e) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e) (1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average loca-

tion in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster: *Provided*, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

"(4) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal

to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secre-

tary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e) (6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regula-

tions as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided,* That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89–321 (79 Stat. 1210) is amended as follows:

(1) By adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended." the words "or the Agricultural Act of 1949, as amended,"; and

(2) By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401 (a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83–480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "*Provided*, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secretary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate mem-

bers of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review applications of farmers for the public land use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the follow-

ing: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open

spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. The term 'rural areas', for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under

paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 through 1973 crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is author-

ized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

91ST CONGRESS
2D SESSION

H. R. 18546

A BILL

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

By Mr. POAGE and Mr. BELCHER

JULY 21, 1970
Referred to the Committee on Agriculture

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of July 22, 1970
91st-2nd; No. 124

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HIGHLIGHTS: House committee voted to report (but did not actually report) farm bill.
Both Houses agreed to conference report on Interior appropriation bill.
Conferees agreed to file report on Youth Conservation Corps bill.
Rep. Poage introduced and summarized food stamp bill.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

HOUSE

1. AGRICULTURE COMMITTEE ACTION.
Voted to report (but did not actually report) HR 18546, the general farm bill. Committee received permission to file the report by midnight, Friday, July 24 . ~~p. D802~~
Instructed Rep. Poage to introduce a food stamp bill, HR 18582, a summary of which is included in the Record. pp. H7063, H7074
Reported HR 13543, with amendment, establishing a wheat research and promotion program (H. Rept. No. 91-1322). p. H7074

2. APPROPRIATIONS. Both Houses agreed to the conference report on HR 17619, the FY 71 Interior appropriation bill. This bill now goes to the President. pp. H7036-44, S11930-6

3. YOUTH CONSERVATION CORPS. Conferees agreed to file a report on S. 1076, establishing a 3-year pilot Youth Conservation Corps program in the Departments of the Interior and Agriculture. p. D805

4. SYMBOL. A subcommittee of the Judiciary Committee approved for full committee action S. 3838, preventing the unauthorized manufacture and use of the antilitter symbol "Johnny Horizon". p. D804

5. SEN. HOLLAND. Rep. Haley joined in an expression of appreciation to Sen. Holland by the Board of Directors of the Peace River Electric Cooperative. p. H7035

SENATE

6. ENVIRONMENT. The Committees on Commerce, Interior and Insular Affairs, and Public Works filed joint report on SJ Res 207, to establish a Joint Committee on the Environment, recommending enactment with amendments (S. Rept. 91-1033). **pp. S11889-90**

7. SALARY COMPARABILITY. Both Houses received letter from Chairman, Civil Service Commission, transmitting draft of proposed Federal Salary Comparability Act of 1970. pp. S11889, H7074

8. FOREIGN TRADE. Sen. Javits placed in the Record the text of his report to the Joint Economic Committee, "Danger of a Trade War Looms Over U.S. International Economic Policy". pp. S11901-3

9. RURAL DEVELOPMENT. Sen. Javits praised the report of the National Goals Research Staff and submitted the summary report for insertion in the Record. Chapter 2 of the report deals with population growth and distribution, suggesting rural development as an alternative to urban sprawl. pp. S11884-7

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

For actions of July 23, 1970
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HIGHLIGHTS: House committee reported farm bill.
House committee voted to report (but did not actually report) food stamp bill.

HOUSE

1. AGRICULTURE COMMITTEE ACTION.
Reported HR 18546, the general farm bill (H. Rept. No. 91-1329). p. H7142
(It was announced that this bill would be considered on the floor the latter part of next week, subject to a rule being granted. pp. H7114-5)
Voted to report (but did not actually report) HR 18582 amended, to amend the Food Stamp Act of 1964, as amended. p. D809

2. APPROPRIATIONS. It was made in order to consider one day next week a joint resolution making further continuing appropriations for FY 71. p. H7077
Passed H.R. 18515, Labor-HEW appropriations bill, FY 71. pp. H7092-114

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3. MEAT. Rep. Berry discussed the matter of imported meats and stated "Congress must take action now to protect our cattle farmers." pp. H7127-9

4. POLLUTION. Rep. Monagan urged Justice to take action against those who dump mercury wastes into the Nation's waterways. p. H7131

5. UNEMPLOYMENT COMPENSATION. Agreed to the conference report on HR 14705, extending and improving the Federal-State unemployment compensation program after rejecting a recommittal motion with instructions that the House managers agree to the Senate amendment which would include farmworkers. pp. H7077-7085

6. ADJOURNED until Monday, July 27. p. H7132

SENATE

7. FLOOD CONTROL; RIVERS. Passed with committee amendments S. 3547, to authorize the Narrows Unit, Missouri River Basin Project, Colorado. pp. S11951-52

8. WASTE DISPOSAL. Committee on Public Works reported with amendments, S. 2005, to provide financial assistance for the construction of solid waste disposal facilities (Rept. No. 91-1034). p. S11957

9. WATERSHED. Sen. Randolph announced that the Committee on Public Works approved, on July 16, the following watershed projects: Spadra Creek, Ark.; Upper Petit Jean, Ark.; Headwaters of the Chattooga, Ga.; North Oconee River, Ga.; Lost River, Ind.; St. Mary's River, Md.; Upper Turtle River, N. Dak.; Pine Valley, Oregon; Rocky Creek, S.C.; Hog Creek, Tex.; and Upper Cibolo, Tex. The committee also approved the Mobile Harbor, Ala., Theodore Ship Channel under the Flood Control Act of 1965. p. S11969

10. FARMWORKER. Sen. Mondale protested the elimination of farmworker coverage from HR 14705, the Unemployment Security Amendments of 1970, submitting for the Record a newspaper editorial as further evidence of the attitude that the farmworker is expendable, his problems not being a priority item. p. S11980

EXTENSION OF REMARKS

11. APPALACHIA. Rep. Evins, Tenn., placed in the Record a newsletter, summarizing the accomplishments of the Appalachian Regional Development Program in Tennessee. p. E9654

12. POLLUTION. Rep. McDonald, Mich., asserted that "until each of us accepts the responsibility for his own actions, pollution will not end". p. E6982

91st Congress } HOUSE OF REPRESENTATIVES { Report
2d Session } { No. 91-1329

AGRICULTURAL ACT OF 1970

JULY 23, 1970.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. POAGE, from the Committee on Agriculture, submitted the following

REPORT

together with

DISSENTING VIEWS, ADDITIONAL DISSENTING VIEWS, MINORITY VIEWS, AND ADDITIONAL VIEWS

[To accompany H.R. 18546]

The Committee on Agriculture, to whom was referred the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of diary products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, line 4, insert the following:

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity, shall not exceed $55,000.

(2) The term "payments" as used in this section includes price support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the

47-968 O—70——1

program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

SUMMARY OF PRINCIPAL PROVISIONS

This bill is made up of eight titles which contain the following major provisions (*unless otherwise noted, all provisions will be in effect for the next three years*):

Title I—Payment Limitations

1. Establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, and feed grains.

2. The limitation imposed considers all payments made for price support, set-aside, diversion, and public access as well as marketing certificates.

3. The Secretary is authorized to adjust set-aside acreage and is directed to issue regulations necessary to insure fair and reasonable application of this title.

Title II—Dairy

1. Clarifies and reaffirms authority for base excess and seasonal plans and extends and amends the authority for the Dairymen's Class I Base Plan in federal milk market order areas. It specifically guarantees competitive access to Class I Base Plan markets by established producers outside the market order area. Appeal procedures under present law remain unchanged.

2. Suspends the operation of the mandatory butterfat price support program for farm-separated cream and permits the Secretary to set lower support prices on butter.

3. Extends the Secretary's authority to donate dairy products owned by CCC to the Armed Services and Veterans Hospitals.

4. Extends the Secretary's authority to make indemnity payments to dairy farmers who through no fault of their own have their milk contaminated by and condemned because of the presence of pesticides and residues.

Title III—Wool

1. Extends the National Wool Act of 1954, as amended, through December 31, 1973.

2. Continues the present incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

Title IV—Wheat

1. Suspends the marketing quota program for 1971, 1972, and 1973.

2. Provides domestic marketing certificates to farmers participating in the set-aside program in an amount equal to U.S. food consumption (about 530 million bushels annually).

3. Sets the face value of these domestic certificates at the difference between the wheat parity price (currently $2.82 per bushel) and the average price received by farmers during the first five months of the wheat marketing year (which starts on July 1).

4. Provides for a "preliminary" payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment (if any) would be paid in December. If the Secretary's estimate were too high, no refunds by farmers would be required.

5. Continues the cost of certificates to wheat processors at 75 cents per bushel.

6. Authorizes the Secretary to set nonrecourse loans to participating farmers from zero to 100 percent of the parity price for wheat.

7. Establishes a "set-aside" program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary.

8. Authorizes payments to participating farmers for any additional set-aside acreage and for permitting public recreational access.

Title V—Feed Grains

1. Establishes a voluntary feed grain (i.e., corn, grain sorghum, and barley) program for 1971, 1972, and 1973.

2. Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between not less than $1.35 per bushel (for corn) and the average market price for the first five months of the marketing year (which starts on October 1 on corn and grain sorghum and July 1 on barley). In no event, however, would these payments be less than 32 cents per bushel for corn (with corresponding rates on grain sorghum and barley).

3. Authorizes the Secretary to set nonrecourse loans at zero to 90 percent of feed grain parity prices.

4. Authorizes additional set-aside and public recreational access payments.

5. Establishes a "set-aside" program under which participating farmers would be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

6. Provides for a "preliminary" payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and $1.35 were more than 32 cents during the first five months of the marketing year, an additional payment would be made. In no event would refunds by farmers be required.

Title VI—Upland Cotton

1. Provides a guaranteed support of 35 cents per pound (middling one inch basis) on the estimated production from 11.5 million acres

for the 1971 crop and an equivalent amount for the 1972 and 1973 crops.

2. Makes assistance available to participating cotton farmers through loans and payments. The loan would be 90 percent of the estimated average world price. The payment would be the difference between 35 cents and the average market price for the first five months following the beginning of the marketing year (which begins August 1), but in no event less than 15 cents per pound. No refunds by farmers would be required in the event market prices were greater than 20 cents per pound.

3. Authorizes payments to participating farmers on acreage made available to the public for recreational purposes.

4. Provides for a set-aside of cropland (not to exceed 33⅓ percent of the cotton allotment) as a condition of eligibility for benefits under the program.

5. Establishes a voluntary program under which marketing quotas, penalties, and acreage restrictions would be suspended for three years.

6. Requires participating farmers to plant cotton to receive payments, with two exceptions: (a) if unable to do so because of natural disaster or other condition beyond producers' control; (b) if not less than 90 percent of allotment is planted.

7. Allows the sale of cotton allotments within a State, permits the lease of allotments within a State, and provides for the release and reapportionment of allotments during the 3-year life of this legislation.

Title VII—Public Law 480

1. Extends without change the provisions of P.L. 480 (the "Food for Peace" program) which authorizes donations and long-term dollar credit and foreign currency sales of U.S. farm commodities to underdeveloped nations. Under the Act most foreign currency sales are scheduled to end by December 31, 1971.

Title VIII—General and Miscellaneous

1. Continues the "Cropland Conversion" and "Greenspan" (long-term land retirement programs) at an authorized appropriation level of $10 million annually for each program.

2. Continues the current exemption from marketing quotas for boiled peanuts.

3. Permits farmers or other land owners who do not desire to hold an allotment on any crop under a government program to voluntarily relinquish it. (This would be a permanent provision.)

4. Establishes an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

AGRICULTURE, THE CONGRESS AND THE AMERICAN CONSUMER

Altogether too many Americans dismiss the problem of agriculture as being something in which they have no concern or interest. In this they are in error. Agriculture is still by far the largest single industry in the United States and it generates jobs for nearly forty percent of the employed workers of our Nation, either by providing the raw material on which they work, or by providing the market for the implements or commodities which they produce.

In earlier days there was a common and probably rather accurate statement that nationwide economic depressions all begin on the farm. Certainly, even today, we cannot safely ignore the health of an industry which so directly involves so many of our workers and which provides such a large portion of the market for our industrial production; nor can we ignore the maintenance of the tremendous productive power of our agricultural plant and of the farmers who operate that plant. There is twice as much investment per capita behind each agricultural worker as there is behind each industrial worker—$50,000 per worker in agriculture as against approximately $25,000 in industry. This, of course, makes possible the tremendous productivity of American farmers. One man on the farm is today able to feed forty-four people in the city. Only through this spectacular productivity has it been possible to build our great cities.

In the Soviet Union, where one worker on the farm supports no more than two in town, it has been impossible to develop the kind of urban industrial society which exists in the United States.

Nor can our American housewife escape grave concern with the success of agriculture when she realizes that she is buying more and better food for a smaller percentage of her disposable income than the housewife in any part of the world at any time in history. Actually today the expenditure in our grocery stores is only about 16.5 percent of the average family's disposable income. In Western Europe this is between 20 and 25 percent, in the Soviet Union between 40 and 50 percent, and in the Far East as much as 75 or 80 percent. No more convincing evidence can be presented that our farm program has worked and is working than the benefits it has bestowed on our consumers.

If we will but provide the American farmer with the cost of production, and a very meager incentive, we need not fear that Americans will go hungry. Our farmers will then provide all the food needed at home and a large part of that needed abroad. But that cost of production must be forthcoming from one source or another. We have the techniques. We know how to produce food and fiber abundantly and cheaply. But even though the American farmer is the most efficient in the world, he must pay interest on his very large investment of land and equipment, he must buy modern machinery, he must buy fertilizer, insecticides, etc.

We all know that farmers have historically bought in a protected market. They pay the American price for everything they use. They sell in a free or competitive market. They receive prices fixed by producers in lands where the wage scale is only a fraction of what it is in our country. It has been repeatedly pointed out if farmers could buy in a completely free market they would have no right to ask for assistance, but if they must continue to buy in a controlled market, they must either sell in such a market or the government must make up at least part of the difference.

Whatever things the farmer buys to meet his production needs must include the cost of our high American wage scale. These costs are constantly going up. On the other hand, the price of most farm products is actually lower today, per pound or per bushel, than it was twenty or twenty-five years ago. The following table clearly reveals that the farmer has fared poorly in comparing his return with current costs:

INDEX OF PRICE INCREASES OF SELECTED ITEMS SINCE WORLD WAR II (1946 EQUALS 100)

Year	Food		Housing	Rent	Clothing (apparel commodities)	Transportation	Medical care	Hospital (daily service charge)	All commodities	All services
	Wholesale	Retail								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10
1946	100	100	100	100	100	100	100	100	100	100
1947	125	122	108	103	116	110	108	119	120	104
1948	135	132	115	110	124	123	115	139	129	111
1949	123	127	117	115	119	132	119	151	126	116
1950	126	128	120	119	117	136	121	156	126	120
1951	141	143	127	124	128	144	127	173	138	126
1952	139	145	130	129	127	154	134	190	139	131
1953	133	143	133	136	125	158	138	202	139	137
1954	132	143	135	141	125	156	143	214	138	141
1955	129	141	136	143	124	154	146	224	136	144
1956	129	142	138	145	126	157	151	236	138	148
1957	133	146	142	148	128	166	157	255	142	154
1958	140	152	145	151	128	171	165	270	145	160
1959	133	150	146	153	129	178	172	285	145	165
1960	135	152	149	155	131	178	178	305	147	170
1961	135	153	150	157	131	180	183	328	147	174
1962	136	155	151	159	132	184	188	351	149	177
1963	136	157	153	161	133	185	193	373	150	180
1964	136	159	155	162	134	187	197	392	152	184
1965	141	163	157	164	135	191	201	414	153	188
1966	150	171	160	166	139	193	210	454	157	195
1967	147	172	165	169	145	199	225	541	160	204
1968	152	178	172	173	153	205	239	612	166	214
1969	161	188	183	179	162	213	255	692	174	229
1970	(165)	(196)	(190)	(186)	(168)	(222)	(275)	(759)	(181)	(243)

Year	Taxes paid per capita				Wage rates, average gross hourly earnings			Prices received by farmers	Prices received by farmers adjusted [1]	Prices paid by farmers
	Federal	State	Local	Total	Total non-agricultural private	Manufacturing total	Farm composite			
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
1946	100	100	100	100	100	100	100	100	100	100
1947	96	114	111	99	111	113	106	117	117	115
1948	101	131	125	107	120	123	113	122	121	125
1949	93	143	139	104	125	128	109	106	105	121
1950	91	149	147	103	131	133	109	109	109	123
1951	117	166	156	126	142	144	121	128	128	136
1952	149	180	167	154	149	153	128	122	121	138
1953	156	191	178	162	158	161	131	108	108	133
1954	151	194	189	160	162	165	128	104	104	134
1955	136	200	200	150	168	172	131	98	98	133
1956	153	229	217	168	176	181	137	97	98	134
1957	161	243	233	178	185	190	141	100	102	138
1958	154	246	247	174	191	195	147	106	108	141
1959	149	257	258	173	198	203	155	102	103	143
1960	168	286	281	193	205	209	158	101	102	144
1961	166	297	303	195	210	215	162	102	105	145
1962	174	317	311	204	218	221	166	103	107	148
1963	180	334	328	213	224	228	171	103	106	150
1964	186	363	342	222	231	234	175	100	105	150
1965	189	386	358	229	240	242	185	105	110	154
1966	208	429	389	252	251	252	200	113	120	161
1967	228	460	408	273	263	262	218	107	113	164
1968	231	520	433	284	279	279	235	111	118	171
1969	(281)	(571)	(456)	(331)	298	295	258	117	125	179
1970	(286)	(623)	(478)	(343)	(316)	(312)	(272)	(119)	(127)	(187)

[1] Adjusted for direct Government payments to farmers. Data in parentheses are projections.

Source: Economic Research Service, Apr. 29, 1970.

Wheat, corn and cotton bring just about one half of what they formerly brought. Do you know of any other large group of workers or investors who are today getting *less* per hour for their work, or less per dollar for their investment, than they did a score of years ago? It has been possible to continue to produce farm crops only because for a good many years the government has contributed to the cost of production. For the past several years this government contribution has been just a little over $3 billion per year.

This is not to condem high wages. We believe in a wage scale in keeping with our American standard of living. We do not propose to reduce the income of either labor or industry. We only ask that the returns of agriculture be placed on the same high standard.

Virtually every segment of the economy other than agriculture has received subsidies in either direct or indirect form. Railroads, steamships and airlines long have enjoyed subsidies. Tariffs and quotas which protect American manufacturers from ruinous competition of foreign made goods are an indirect subsidy and clearly increase the cost of things farmers as well as city people must buy. The huge postal deficit each year is in large part accounted for by subsidized rates for magazines and advertisements.

Were we to remove all government subsidy from agriculture it is obvious that farm production at the present rate could not be maintained. There simply wouldn't be enough money left after paying interest and taxes to enable farmers to continue to buy and operate the equipment and supplies essential to the production of adequate food and fiber for the American people. In other words, it isn't simply a matter of price, it goes further. It involves our physical ability to produce all the food and fiber needed. That food and fiber can be produced, but not with walking plows or horse-drawn cultivators, and not without fertilizers, insecticides, and herbicides. And these all cost tremendous sums of money. The only other way of maintaining this needed production would be by raising the price in the market place.

Certainly many farmers would like this, but what of our consumers, the one hundred percent of our population who eat?

They would find that they would of necessity be paying substantially more, and it seems quite likely that those who have been the loudest in their denunciation of "subsidies" would be the first to resent the increased prices in the market place. Again, we are reminded of the tremendous misunderstanding which exists among nonfarm people. Farm subsidies help farmers, but they do a great deal more for consumers in our cities than they have ever done for people on our farms. They have made it possible for American consumers to enjoy more and cheaper food and fiber than consumers anywhere else in the world.

We must also remember that the farmer only receives about one-third of what the housewife spends in the grocery store and that that share is constantly decreasing. Therefore, if the farmer now receives $3 billion subsidies, is it not likely that this expenditure is reducing consumer costs by something like nine billion dollars? In any event the consumer has a tremendous stake in the maintenance of our farm programs.

Nor can we overlook the constant aggravation of the problems of the cities by the flow of penniless migrants from the farms. Of course

it is recognized that some of this movement is inevitable as farms increase in size and some of it is desirable as supplying necessary new blood and manpower in our growing cities, but most of it is very undesirable and it is even more undesirable in direct proportion as these people are forced by sheer poverty to migrate. To the extent that we can keep people making a living on the farm we are helping the cities—and that is what our farm program is trying to do.

DEVELOPMENT OF H.R. 18546

The Agriculture Committee, desiring to give everyone interested an opportunity to express their views, started public hearings on a general farm bill and a food stamp program on July 15, 1969. Exactly, one-year and one week later, the committee approved H.R. 18546, the "Agricultural Act of 1970."

Even before the public hearings began, however, Secretary of Agriculture Clifford M. Hardin, and his staff, had begun a series of evening meetings with members of the Agriculture Committee, and its staff, for a thorough discussion of agricultural programs. These meetings, each of which lasted approximately an hour and a half and were usually held on Monday nights, continued well into 1970.

At the first public hearing on July 15, 1969, Secretary Hardin was accompanied by Assistant Secretary Richard E. Lyng, Assistant Secretary Clarence D. Palmby, and Don C. Paarlberg, Director, Agricultural Economics.

Again on September 24, 1969, Secretary Hardin, accompanied by J. Phil Campbell, Under Secretary, appeared before the full committee relative to the views of the Department on the various farm programs.

In 1969 the full committee held 25 days of public hearings on the general farm program. Also, during 1969 the full committee met in executive session on 13 occasions, and on December 12 approved the dairy title of the bill.

In addition to the activities of the full committee in 1969, the Subcommittee on Livestock and Grains held six days of public hearings on the wheat and feed grains sections of the bill, as well as one executive session. During this same period, the Cotton Subcommittee conducted six days of public hearings.

On January 30, 1970, the full committee held an executive session in which it approved the dairy indemnity payment section of this farm bill.

On April 14, 1970 the full committee approved both the extension of the Wool Act and Titles I and II of Public Law 480.

As a result of the many meetings between the officials of the Department and the committee, a working draft of a bill for wheat and feed grains was unveiled during the evening meeting of October 25, 1969. The draft marked "Preliminary, for working purposes only, involving no commitment on the part of anyone", was discussed extensively at the session and several modifications were agreed upon.

On February 10, 1970, Secretary Hardin, and other officials of the Department met again in the evening to discuss a draft which the Department stated "had been developed as a result of the many work sessions, discussions, and compromises between the Department and

members of the House Committee on Agriculture. It represented another step toward consensus agreement on proposed farm legislation.

The goal of the committee and the Department was set forth in this manner:

(1) To give farmers a wider range of decision-making on their own farms; (2) To help farmers improve cash markets for their commodities and develop a greater reliance on the marketplace as a source of farm income; (3) To protect farm income; and (4) To help balance supply and demand in agriculture. The following tables, provided by USDA, reflect the budgetary projections involved in achieving these goals:

WHEAT, FEED GRAINS, AND UPLAND COTTON: PAYMENTS UNDER ALTERNATIVE PROGRAM ASSUMPTIONS FOR 1971 COMPARED WITH PAYMENTS UNDER PRESENT PROGRAM FOR 1968, 1969, AND 1970

[In millions of dollars]

Program	Program year						
				1971 projection			
	1968	1969	1970	Present program	Set-aside	Coalition bill	Permanent legislation
Wheat program:							
Payments to farmers	746	856	904	940	856	1,175	(1)
Receipts from processors	387	387	398	401	401	401	----------
Treasury cost	359	469	506	539	455	774	----------
Feed grain program	1,368	1,644	1,516	1,555	1,650	2,555	(2)
Upland cotton program	784	822	902	950	840	950	(3)
Total, 3 programs:							
Payments to farmers	2,898	3,322	3,322	3,445	3,346	4,680	----------
Receipts	387	387	398	401	401	401	----------
Treasury cost	2,511	2,935	2,924	3,044	2,945	4,279	----------

[1] If marketing quotas are approved, domestic certificates plus loan could not be less than 65 percent or more than 90 percent of parity—meaning payments could range from roughly $325,000,000 to $700,000,000. There would be no cost to the Treasury as processors would be required to pay the full cost of the domestic certificate. If marketing quotas are disapproved, there would be no payments. Production, however, would likely substantially outrun use resulting in a sizable buildup in CCC stocks.

[2] There would be no diversion or price support payments. Price support through loans would be available on all production at 50 percent of parity. Feed grain supply could outrun use by as much as 40,000,000 tons in 1971 with continued stock increases in subsequent years. Virtually all of this would end up in CCC hands.

[3] There would be no payments but assuming that marketing quotas would be approved, price support through loans would be available at 65 to 90 percent of parity. This would result in a substantial buildup in CCC stocks and would incur heavy export subsidy costs if we attempted to remain competitive in world markets.

Note: The 1971 projections do not reflect potential reductions in payments resulting from a payment limitation.

WHEAT, FEED GRAINS, AND UPLAND COTTON—COST OF PROGRAMS (REALIZED LOSSES) FOR 1968, 1969, AND 1970

[In millions of dollars]

Item	Fiscal year 1969 (1968 program)	1971 budget estimates: Fiscal year 1970 (1969 program)	1971 budget estimates: Fiscal year 1971 (1970 program)
Wheat (and products):			
Marketing certificate operations:			
Issued to farmers	746	784	827
Sold to processors	[1] 387	[1] 387	[1] 398
Net	359	397	429
Acreage diversion payments [2]		72	77
Loan and inventory operations [3]	90	123	109
Commodity export payments	2	70	84
Public Law 480 program [4]	436	477	442
Total	887	1,139	1,141
Feed grains (and products):			
Payments to farmers [2]	1,368	1,644	1,516
Loan and inventory operations [3]	147	166	164
Public Law 480 program [4]	51	71	90
Total	1,566	1,881	1,770
Upland cotton (and cotton products):			
Payments to farmers:			
Price support	639	795	874
Acreage diversion [2]	145	[5] 27	[5] 28
Total payments	784	822	902
Loan and inventory operations [3]	30	2	4
Public Law 480 program [4]	120	120	118
Total	934	944	1,024

[1] Denotes receipt.
[2] Represents full payments for each program year; payments actually made during a fiscal year differ from amounts shown in some years due to advance payments.
[3] Includes loss or gain on sales, cost of donations, carrying charges (storage, handling, transportation, and reseal storage payments), and other minor expenses.
[4] Gross commodity costs.
[5] "Small farm" payments.

Note: The above figures are presented on a comparable basis Since there was a change in accounting policy between fiscal year 1969 and fiscal year 1970, these will differ from published figures. Presented Feb. 26, 1970.

The Subcommittee on Livestock and Grains, using a draft prepared by the Chairman of the Subcommittee, printed Committee Print No. 1 on February 26, 1970. This print pertained to only wheat.

The subcommittee continued to meet on wheat and feed grains and on March 12, 1970 prepared Committee Print No. 2, which modified Committee Print No. 1.

In the meantime the Cotton Subcommittee had been meeting regularly and on March 13, 1970 it printed Committee Print No. 3 which reflected that subcommittee's original position regarding the cotton program. This print was the result of prolonged debate within the subcommittee on the bill, H.R. 15593, introduced by the Chairman of the subcommittee, Mr. Abernethy.

Committee Print No. 4, a combination proposal embodying proposals on both the wheat and feed grains agreed upon by the Subcommittee on Livestock and Grains at its executive session on March 19, 1970, was printed on March 23.

Committee Prints No. 5 (March 24, 1970) and No. 6 (April 1, 1970) pertains to cotton; these drafts reflect the evolution of thought and compromise between the Department and the subcommittee.

Early in March, the Honorable Page Belcher, ranking Minority member of the committee met with the Secretary of Agriculture, the White House and the Bureau of the Budget on several occasions. It was apparent that up to that time very little progress had been made to resolve the key differences between the Administration and the committee. Discussions continued for several days, and on March 17 the Secretary, as a result of his meetings with Congressman Belcher, delivered to the Chairman a set of principles from which the Department, the White House and the Bureau of the Budget agreed could evolve an acceptable farm bill. The agreement provided that:

1. The legislation was to be for three years and income guarantees contained therein should remain in effect for three years.
2. The Administration was prepared to expend about the same amount of money during each of the three years 1971–73 on income payments as was expended in 1969–70, but without an escalation provision.
3. A formula for wheat was suggested whereby the payment plus the actual national average market price received on the domestic allotment would equal $2.77.
4. The formula for feed grains would be such that the payment plus the national average actual market price received on 50 percent of the base acreage would equal $1.35.
5. For cotton there was a guarantee of actual national average market price received plus payments equal to 34 or 35 cents on 11.1 million acres with authority to pay an equivalent total amount on a smaller allotment (in which event the set aside requirement would be greater).
6. Open ended planting including the removal of marketing quotas for cotton was imperative.
7. The diversion of acreage to conserving uses should be shared by all three commodities as proposed in the set-aside suggestion.
8. The Secretary and his staff was prepared to study the subcommittee reports as they were submitted for review and comment.

By a vote of 9–8, the Livestock and Grains Subcommittee authorized the printing of Committee Print No. 7 on April 8, 1970. This print conformed Print 4 so as to reflect the criteria of the agreement of March 17. Subsequent changes have been minor; the bill for all intents and purposes embodies Print No. 7.

Committee Print No. 8 dated April 10, 1970, covered the Dairy provisions which had previously been agreed upon.

After Committee Print No. 7 had been considered by the committee, and as a result of extensive negotiation by interested parties, Secretary Hardin on May 26, 1970, wrote the Chairman of the Committee on Agriculture a letter in which the Secretary agreed to several changes sought by Members of the Committee. The letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., May 26, 1970.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with your suggestion, and in an effort to reach final agreement on farm legislation which will have the mutual support of your Committee and the Executive Branch, I am setting forth below our position with respect to any further changes in the legislation on payments to encourage participation in the commodity programs. While the legislation in its present form is not that which would have been preferred by the Administration, we have worked long and hard to reach a position that would be acceptable to the Committee as well as to the urban interest in the Congress.

As you know, we had previously agreed to support legislation that would provide for payments which, together with average market prices, would assure farmers $2.77 per bushel for wheat on the domestic allotment, $1.35 for corn on fifty percent of the base acreage, and 35 cents for middling 1-inch cotton, micronaire 3.5 through 4.9, on a base acreage allotment of 11.1 million acres. A preliminary payment equal to 75 percent of the estimated final payment would be made as soon as practicable after July 1, and the payment so made shall not be reduced if the rate as finally determined on the basis of the average market prices for the first five months is less than the rate of the preliminary payment.

In order to meet the objection which has been raised by some that under this formula, increases in market prices might reduce the payments below the levels envisioned, we are prepared to agree to an amendment to the draft legislation, which would substitute for the estimated preliminary payment, a fixed preliminary payment (below which the final payment could not be reduced) of $1.52 per bushel for wheat, $0.32 per bushel for corn (with comparable rates for grain sorghums and barley), and $0.15 per pound for cotton. We are prepared to support preliminary payments at these levels, however, only on condition that the final payment guarantees remain fixed at $2.77 per bushel for wheat, $1.35 per bushel for corn, and $0.35 per pound for cotton. This would provide assurance of a specific support with the opportunity of additional payments in case of a lower market price.

If the Committee should prefer to provide for a final payment guarantee of parity for wheat, in lieu of a fixed preliminary payment, that would be acceptable, but we cannot agree to a change which would express the levels of the final payments for feed grains and cotton at specified percentages of parity.

Such a formula for feed grains would make the program less workable. The payments made under the feed grain program are approximately equal to the next best alternative opportunity the farmers may have for the land. As a result only about 50% of the feed grain farmers with 68% of the feed grain acreage participate in the program. To the extent that price support payments are increased as parity increases, the participation in the program increases and the need for additional voluntary diversion is diminished. To the extent

that we are forced to increase the mandatory diversion to keep the costs of the program in line, it would result in an excessively large mandatory diversion for many individual farmers.

Such a formula for cotton would result in unduly escalated costs which would be unacceptable.

If prices should be stronger than we have anticipated, which the Committee in its session on May 12 seemed to consider likely, then farmers might do better with the preliminary payments certain than with a parity objective.

We would also be agreeable to increasing the base acreage allotment for the 1971 crop of cotton to 11.5 million acres.

Committee action taken on our proposals for the wool and dairy programs leave us with no outstanding issues on those programs.

Our agreement to support the bill with the changes indicated above is, of course, subject to the understanding that the legislation would contain reasonable payment limitations on wheat, feed grains, cotton and wool. The bill should also provide for continuation of Public Law 480.

I earnestly hope that with these final changes the Committee will be able to report out a bill which will have the support of all of us.

Sincerely,

CLIFFORD M. HARDIN.

As a result of the Secretary's letter, members of the Cotton Subcommittee authorized the printing of Committee Print No. 9. While this print has also been amended in minor respects, it is in substantially the same form as originally printed on June 3, 1970.

Although opposition to Committee Print No. 7, as amended, was apparent, the committee leadership believed that it could muster enough votes to approve a farm bill. Accordingly, an executive session was called for June 2, 1970. After several amendments to bring Print No. 7 into conformity with the letter of the Secretary of May 26th had been adopted by the committee. Committee Print No. 4 was offered as a substitute for Print No. 7 for inclusion in the bill. By a roll call vote the amendment carried 17 to 14, whereupon the Chairman adjourned the Committee, as the Department had previously indicated that it would not support Committee Print No. 4.

The committee did not formally consider general farm legislation again until July 21. In executive session, following a broad discussion of various aspects of the bill, it was moved to reconsider the vote by which Committee Print No. 4 had been approved on June 2nd. The motion carried 20 to 12. The question of substituting Committee Print No. 4 for Committee Print No. 7 then reoccurred and was defeated by a roll call vote of 21 to 13.

All other pending amendments were disposed of and thereafter it was moved that the Chairman and Congressmen Belcher be instructed to introduce a clean bill. This motion carried by a roll call vote of 25 to 6. Accordingly Mr. Poage and Mr. Belcher introduced the bill, H.R. 18546.

On July 22 the committee again met to consider H.R. 18546. Following a discussion as to whether the committee would amend the bill to include a limitation on payments to cooperators, the Chairman presented a letter to the committee from Secretary Hardin indicating that he would support whatever limitation up to $55,000.00 per crop

the committee approved. On motion, unanimously adopted, a limitation of payments amendment at the indicated level was added to the bill.

It was then moved to favorably report H.R. 18546, and by roll call vote the motion carried 27 to 6, with one member voting "present".

Finally, after 38 days of public hearings by the full committee and its subcommittes; 92 executive sessions; 27 evening meetings with officials of the Department, numerous private discussions with the Secretary of Agriculture and officials of the Department; extensive negotiation by the Chairman and Mr. Belcher, with the White House and the Bureau of the Budget, the committee approved a general farm bill.

ANALYSIS

COMMITTEE AMENDMENT—PAYMENT LIMITATIONS

Title I of this bill is the Committee amendment. It establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, or feed grains for the 1971, 1972, and 1973 crops.

The aggregate limit applicable to each of the three individual crop programs includes payments made for price support, set-aside, diversion, and public access as well as marketing certificates. Loans and purchases are not considered in applying the limitation.

The Secretary is directed to adjust the set-aside requirement for producers affected by this title, and he is further directed to issue regulations necessary to assure its fair and reasonable application.

The committee has included language in Section 101 to exempt states, political subdivisions or state agencies from payment limitations. This was done to permit public bodies already owning farmland to continue to serve state and local taxpayers. In so doing the committee does not intend that state agencies be used during the life of this Act as a subterfuge by individuals subject to payments limitations to avoid or reduce these limitations. The Secretary should take steps in the regulations issued under this section to see that this provision is administered in a manner under which there is a direct furtherance of a public function.

By letter under date of July 21, 1970 to the Chairman of the Committee on Agriculture, Agriculture Secretary Hardin indicated his willingness to support the committee amendment. The letter was as follows:

THE SECRETARY OF AGRICULTURE,
Washington, July 21, 1970.

Hon. W. R. POAGE,
Chairman, House Agriculture Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: As discussed with you in my office, whatever limitation of payment is supported by your Committee up to $55,000.00 per crop will be supported by me.

Sincerely,

CLIFFORD M. HARDIN.

The committee is well aware of the psychological enthusiasm which has been built up for a limitation on farm payments. We believe

that this is largely based on a misunderstanding of the problem. The committee has attempted to allow Members of the House an opportunity for a record vote on this question and at the same time to allow payments which are sufficient to preclude impairment of the "set-aside" program. A good many different figures and combinations have been considered by the committee; the accepted figure is a reluctant compromise.

The USDA has advised the committee that the set-aside program would not be unduly affected by a limitation of $55,000, even though it had initially unveiled a higher schedule. The committee hopes that it will prove attractive enough so that large farmers come into the program—if it does not, the set-aside program will not work. At the same time, the amendment will preclude any farmer, whether an individual or a corporation, to draw excessively large sums.

The alternative is to greatly increase government costs. Secretary Hardin has pointed out that a lower limit does not necessarily mean a saving of tax money—indeed a limit set too low to attract participation would substantially increase the cost to the government. The committee believes that $55,000 is the absolute minimum.

The committee recognizes that many Members wish to be "on record" in favor of limitations. For this reason the limitations question was not presented as an integral part of the bill. Rather, the committee has approved the amendment which appears as title I of the bill.

It has been argued that the $55,000 per crop limitation is in fact a $165,000 limitation because it affects three crops. Yet the figures supplied by the Department show that in 1969 there were only two individuals who received in excess of $50,000 on each of the three crops included in this bill and there were only 37 who received $50,000 payments on two of these crops.

In summary, the committee is convinced, after long study of the matter, that any lower limitation would seriously impair the effectiveness of the farm program and, in turn, increase greatly the cost to the government.

The following tables depict the effect which the limitation will have on the program:

UNITED STATES—PAYEES AND PAYMENTS AFFECTED BY PAYMENT LIMITATION
FEED GRAINS

	$55,000 (flat)	Percent of total
Payees—number	98.0	0.006
Payments—million dollars	9.9	.6
Payments retained—do	5.3	.3
Payments lost—do	4.6	.27
WHEAT		
Payees—number	53.0	0.005
Payments—million dollars	4.9	.6
Payments retained—do	2.9	.3
Payments lost—do	2.0	.2
COTTON		
Payees—number	949.0	0.2
Payments—million dollars	103.8	13
Payments retained—do	52.2	6
Payments lost—do	51.6	6

Source: USDA, July 8, 1970.

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

PAYEES AND PAYMENTS AFFECTED BY $55,000 PAYMENT LIMITATIONS FROM 1969 CALENDAR YEAR PAYMENTS

[Dollars in millions]

State	Cotton		Feed grain		Wheat		Total	
	Payees	Payments reduced	Payees	Payments reduced	Payees	Payments reduced	Payees [1]	Payments reduced
Alabama	16	$0.3					16	$0.3
Arizona	165	9.9	4	$0.2			169	10.1
Arkansas	65	2.3					65	2.3
California	247	24.8	24	3.0	5	$0.2	276	28.0
Colorado			2	(2)	4	.3	6	.3
Georgia	10	.2	1	(2)			11	.2
Idaho					6	.1	6	.1
Illinois			5	.2			5	.2
Indiana			5	.1			5	.1
Iowa			4	.3			4	.3
Kansas			1	(2)	1	(2)	2	(2)
Louisiana	20	.5					20	.5
Mississippi	250	7.8					250	7.8
Missouri	1	(2)	6	(2)			7	(2)
Montana					3	.7	3	.7
Nebraska			4	(2)	1	(2)	5	(2)
Nevada	1	(2)					1	(2)
New Mexico	7	.1	5	(2)	5	.2	17	.3
North Carolina	3	.4	3	.2			6	.6
Ohio			1	(2)			1	(2)
Oklahoma	1	(2)			2	.1	3	.1
Oregon			1	(2)	3	(2)	4	(2)
Pennsylvania			1	(2)			1	(2)
South Carolina	13	.4					13	.4
South Dakota					2	(2)	2	(2)
Tennessee	5	.1					5	.1
Texas	145	4.8	31	.6	10	.2	186	5.6
Utah					1	(2)	1	(2)
Washington					10	.3	10	.3
Total	949	51.6	98	4.6	53	2.1	1,100	58.3

[1] Includes some duplication in States where payees are involved in more than 1 program.
[2] Less than $50,000.

TITLE II—DAIRY

This title deals with four different dairy programs—milk marketing orders, butterfat price supports, Military and Veterans Hospital Dairy Program, and dairy indemnity payments.

Federal Milk Orders

The committee feels that the federal milk marketing order program is vital to the prosperity and stability of the American dairy industry which, in turn, is an essential segment of our entire agricultural economy. The committee both supports and encourages the maintenance and the growth of this valuable program and reiterates the long-standing support of the Congress for this very worthwhile activity of the Department of Agriculture.

A federal milk marketing order is, in effect, a contract issued by the Federal Government to regulate transactions between farmers and milk dealers (called handlers) within the confines of a specified geographic area. Federal orders require that milk dealers pay farmers certain minimum prices for milk used for different purposes. Wholesale and retail prices for fluid milk, unless prescribed by State authority, are established through competition among handlers. Federal milk orders do not establish sanitary regulations. Sanitary regulations are administered by State and local health authorities.

Milk sold for fluid use (Class I) is priced on the basis of supply-demand conditions in the regulated marketing area. Minimum prices for Class I milk are established at levels which will assure consumers an adequate supply of pure and wholesome milk. Milk not used for fluid purposes is priced at levels which approximate the value of milk used in manufactured dairy products, such as butter and cheese. This milk (usually Class II) is priced lower than milk sold for fluid use. Farmers receive a weighted average or "blend" price for milk, which reflects how much milk is used for fluid consumption and for manufacturing purposes.

The administration of these orders is quite complex and each order is different in some respect from the others. Each is administered by a "market administrator" appointed by the Secretary of Agriculture. The terms of each of these milk orders is first developed by the Secretary and then voted upon by the dairy farmers in the order area. As a general rule, cooperatives may "bloc-vote" all their members either for or against an order or an amendment to the order. Only in one federal milk order (the Class I Base Plan in Puget Sound, Washington) are individual farmers required by law to express their approval or disapproval of an order.

Various orders use different methods of pricing milk and establishing bases. Some use a seasonal base plan, others use what is known as the "Louisville plan," and still others use different methods.

Title I of the Food and Agriculture Act of 1945 provided authority for a "Class I Base Plan" in federal orders.

Under the Class I Base Plan, which is designed to reduce dairy surpluses in areas of excess production and thereby stabilize the income of all dairy farmers, each producer is given a proportion of the higher valued Class I use, based on his deliveries during a representative period. This quota is called a "base." Deliveries by a producer in excess of his base are priced as surplus milk. Bases may be sold and transferred. Any increase in Class I sales or any bases forfeited are first made available to new producers and for the relief of hardship cases.

At the present time, only the Puget Sound market has incorporated a Class I Base Plan into its order.

During the 90th Congress an amendment to the Class I Base plan authority was added to a House-passed farm bill. In conference with the Senate this amendment was dropped. In the closing days of that Congress a similar proposal was passed by the House, but it died in the Senate. Finally, the existing law was extended without change for one year, through December 31, 1970, by Public Law 90–559.

Section 201 further amends certain sections of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, relating to marketing orders concerning milk and its products.

Section 201(a) deletes existing clause (d) of subparagraph (B) of subsection 8c(5) of the current Act, which clause (d) authorizes base surplus and Class I Base Plans, and substitutes therefor three new clauses (d), (e), and (f).

Base Excess Plans

The new clause (d) retains and separately states existing authority for base-surplus or base-excess provisions in milk marketing orders.

Seasonal Plans

Clause (e) clarifies and reaffirms authority for the so-called Louisville Plans. These plans are now included in 17 federal order markets representing about 40 percent of the milk regulated by federal orders. Under these plans, leveling of spring and fall production is encouraged by withholding from sums paid for milk in the spring and subsequently paying the same sums to producers in the fall.

Class I Base Plans

Authorization is provided under clause (f) for Class I Base Plans in federal milk marketing orders under which the producers, as defined in the order, who are such producers when the plan is made effective and who supplied milk to a marketing area during a prior representative period will be assigned "bases" based on their respective marketings.

The purpose of the Class I program envisioned by this section of the bill is to create the legal machinery for producers in areas with surplus milk to cut down on their production by meeting the demand for only Class I utilization. Like the program has been since its inception, this bill continues the concept that the reduction of surplus milk production will benefit the entire dairy industry throughout the nation and will also help alleviate the necessity for dairy price support purchases by the Commodity Credit Corporation.

The Class I Base Plan enables producers to adjust their deliveries to their share of higher valued fluid milk sales in the market. For deliveries within his base allocation, a producer would receive a price about the same as the Class I price, and for marketings in excess of his allocation he would receive a price approximating the surplus price.

Provision is made for a representative Class I base period of one to three years which will be automatically updated each year. This will allow for changes in production units and will permit readjustment of bases over a period of time.

Under present authority a fixed "representative" period of all or parts of selected years has been used in determining the producers' marketing history period. This has resulted in a static base on the relationship that existed between producers' deliveries and market utilization during the selected period. That requirement did not accommodate adjustment of bases to rapidly changing supply and demand conditions in fluid milk markets, subject only to change by amendment of the order. This bill will automatically keep the total of bases more closely related to changing levels of market utilization.

It is provided that if a producer reduces his marketings, such reduction shall not adversely affect his history for the determination of future bases or future updating of bases except that an order may provide that any reduction below his base allocation may be taken into account in determining his future bases or future updating of bases.

Authorization is provided for transfers of Class I bases on such terms and conditions, including those which will prevent bases from taking on an unreasonable value, as prescribed in the order by the

Secretary. It is the committee's intent that the transfer of bases under this authority be restricted to instances where the Secretary, as the result of a public hearing under the normal marketing order procedure, has determined that transferability will not materially increase the cost of production to dairy farmers acquiring a Class I base. It is not the intent of this legislation to unnecessarily increase the price of milk to consumers by imposing additional production costs on dairy farmers. If the Secretary should, under the authority of this legislation, decide to permit the transfer of these bases from one farmer to another, the committee recommends that restrictions similar to those applicable to other commodity programs which permit transferability of quotas or allotments be imposed. This would, among other things, include confining the transfer to local areas, obtaining the consent of mortgage or lien holders, prevention of undue accumulation of bases by any single owner, and requiring that the terms and conditions including the purchase price of the transfer be made available to the Secretary prior to the approval of any transfer.

Provision is made for the order to provide for the alleviation of hardship and inequity among producers. Hardship would occur where a farmer's milk production was abnormally low during the base forming period as a result of circumstances beyond his control. For example, a farmer may have been forced to sell part of his herd during the Class I base forming period because his sons were in the military service. Consequently, his base would be relatively small and inadequate upon his sons' return to the farm. Other circumstances which might be considered as hardships include operation of a dairy farm during part but not all of the base period, acts of God, or reduced marketing due to diseases, pesticides, residues, and condemnation of milk.

Under present Class I Base Plan legislation the participation of new producers in the market's Class I sales is confined to increases in such sales, reflecting market growth, except when such new producers purchase existing bases. This bill removes this provision and provides that—

(1) Producers delivering to pool plants newly associated with a market shall receive allocations on the same basis as other producers on the market based on their past deliveries during the base period.

(2) Producers with a history of deliveries to other markets during the base period from the same or substantially the same production facilities are, as a matter of law, entitled to use this history in establishing bases. Essentially, such new producers (except as in (1) above) entering a market shall be given bases on the same basis as existing producers, except that they will receive the lowest class price for 90 days. This provision is intended to permit competitive access to Class I dairy markets by all established dairy farmers after a reasonable time.

(3) New producers who did not market milk during any part of the representative period will be allocated bases, within 90 days after entry, giving consideration to supply and demand conditions, development of orderly and efficient marketing conditions, and interests of existing producers, all other dairy farmers, and the public. Such bases shall be subject to a reduction of not to exceed 20 percent for not more than three years.

(4) New producers who are former producers may also obtain bases. Authorization is provided for the order to include such additional provisions as the Secretary determines appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under clause (f).

The assignment of other source milk to various use classes shall be made without regard to whether an order contains a Class I Base Plan.

Clause (f) also authorizes provisions in an order for reducing the allocation of or payment to be received by any producer who delivers a portion of his milk to any persons not fully regulated by the order. This is to compensate for any such marketings of milk so as to insure equitable participating among all producers.

Adoption of the Class I Plan is still optional with each market order area and can be put into effect only if separately approved by two-thirds of the producers voting individually in a referendum on the matter. Individual producers will continue to have one vote each. The Class I Base Plan provisions may be terminated separately under section 8c(16)(B) if a majority of producers favor such termination. Disapproval by producers or termination of such order provisions will not be considered disapproval of the entire order or of other terms of the order

PRODUCER-HANDLERS

Section 201(b) continues without change section 104 of the Food and Agriculture Act of 1965 regarding the intent of Congress not to change the legal status of producer-handlers under milk marketing orders.

The purpose of this subsection, like its predecessor in the Food and Agriculture Act of 1965, is to assure producer-handlers of milk that their legal status shall remain unaffected by this bill and that the adoption of a Class I Base Plan shall not be used as a justification to subject them to the pooling requirements of any federal milk marketing order.

At the time the Agricultural Marketing Agreement Act became law, over three decades ago, the direct delivery of milk to consumers by the producers thereof was a usual and major method of milk marketing, comprising in many areas more than 50 percent of marketings.

Up to the present time, all federal orders have exempted producer-handlers from the pooling requirements of such orders and have limited regulation to those provisions designed to guarantee that, as sellers of fluid Class I milk, they use their own production as a source of supply without substantial use of the production of other diarymen.

The committee wishes to make it clear that it approves of keeping the producer-handler avenue of marketing open to dairy farmers. With their share of the market now reduced very substantially from previous times, the need for consideration of regulation is even less necessary now and it is more essential than ever that these small businessmen be protected from unduly burdensome restrictions and requirements.

The committee intends to review the performance and treatment of these producers from time to time, not only to safeguard their interests but also, after due consideration of the responsibility to protect

consumers, to assure that their marketings to not in fact become disruptive and seriously and substantially affect the prices paid other producers. Therefore, the committee recommends that before any change in the status or administrative treatment of producer-handlers is proposed, the department will notify the committee of the nature and details of any such proposal.

Existing Class I Base Plans Continued

Section 201(c) provides that the existing Class I Base Plan in Puget Sound, Washington, issued pursuant to the authority contained in present law is expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

8c(5)(G)—The Andresen Amendment

Section 201(d) provides that it is intended that nothing included in section 201 of this bill will in any way alter, rescind, or amend section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and it is the intent of the committee that section 8c(5)(G) is fully reaffirmed at this time.

Expiration Date

Section 201(e) provides that the provisions of section 201 shall not be effective after December 31, 1973.

Suspension of Requirement for Price Support on Butterfat

Section 202 suspends, effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974, the price support program for butterfat and the products of butterfat, as provided in section 201 of the Agricultural Act of 1949, as amended. Nothing contained in this provision is intended to affect in any manner the price support program for milk and the products of milk provided under present law.

The support price for butterfat in farm-separated cream determines the purchase price for butter removed under the dairy price support program. The support price for butterfat has been kept at the legal minimum of 75 percent of parity in recent years; however, as parity has risen, it has been necessary for the Secretary to increase the support price for butterfat and the buying price for butter. The higher support buying prices for butter are reflected in higher market prices for butter. This has further discouraged commercial consumption of butter and resulted in higher purchases and costs under the support program.

Under this bill milk will continue to be supported at a level between 75 and 90 percent of parity. Although it would no longer be necessary to support butterfat, it is intended that CCC nevertheless should continue to buy butter under the support program. The Secretary would, however, be permitted to use his own discretion and judgment in setting the buying price for butter at any level which, combined with

the buying price for nonfat dry milk, would accomplish the announced support price for milk.

The committee feels that setting a lower price for butter will encourage its consumption and reduce CCC purchases.

Donations of Dairy Products to Military Agencies and Veterans Hospitals

Section 203 would extend the Military and Veterans Hospital Dairy Program for three years. The present authority for donating dairy products acquired under the support program to these agencies expires December 31, 1970.

The military agencies have been an important outlet for dairy products acquired under the support program. Since 1954, when donations to these agencies were first authorized, CCC has donated to them approximately 320 million pounds of butter, 25 million pounds of cheese, and 1 million pounds of nonfat dry milk. It is expected that about 40–50 million pounds of butter will be donated to the military during the current year, and the prospect is that the military agencies will continue to be an important outlet for large quantities of dairy products in the future.

Extend Milk Indemnity Program

Section 204 would extend the dairy indemnity program for three years. This would make it possible to continue indemnifying farmers for milk which is removed from the market because it is contaminated, through no fault of the farmer, with residues of pesticides approved for use by the Federal Government. The present authority for making indemnity payments to dairy farmers expires June 30, 1970.

Although the incidence of pesticide contamination of milk has been reduced considerably since the indemnity program was begun in 1964, it is likely that there will continue to be some cases where farmers, through no fault of their own, will have losses resulting from pesticide residues in their milk. Continuing the authority for indemnity payments will save such individual farmers from severe economic losses at a relatively small cost to the Government.

The committee of course is aware of the fact that at the time it approved H. R. 18546 the milk indemnity authority in the Act of August 13, 1968, had expired. It is also aware of the action of the Senate in amending the Agricultural Appropriations bill for FY 1971 (H. R. 17923) to include provisions for dairy indemnities during the 1971 fiscal year. At the time of this report, H. R. 17923 is awaiting a House-Senate conference. It is therefore the clear intent of the committee that any claims for indemnity payments which may arise between the time that Public Law 90–484 expired (June 30, 1970) and the date of enactment of this bill shall be considered on their merits by the Secretary, and the mere fact that the claim originated during a so-called "hiatus" in the law shall not, in and of itself, disqualify the applicant from obtaining the remedy provided by this program.

The following table shows indemnity payments, by States and years, since the program was first begun:

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—MILK INDEMNITY PAYMENT PROGRAM, OUTLAYS BY BUDGET AUTHORITY (APPROPRIATION) JAN. 1, 1964 TO JUNE 30, 1969 AND OUTLAYS FISCAL YEAR 1970 THROUGH MAR. 30, 1970

	Fiscal year 1965, actual	Fiscal year 1966, actual	Fiscal year 1967, actual	Fiscal year 1968, actual	Fiscal year 1969, actual	Fiscal year 1970, actual [1]	Grand total, actual
Alabama				$2,163.10			$2,163.10
Arizona		$1,265.56		9,616.34	$31,119.14		42,001.04
Arkansas				2,468.70			2,468.70
California	$14,356.64	3,838.34	$8,132.68	4,045.33	2,154.90		32,527.89
Colorado				2,122.37			2,122.37
Florida				4,402.99			4,402.99
Georgia	1,258.89	9,359.99					10,618.88
Idaho	3,630.52			2,247.17			5,877.69
Illinois	226.91	223.52	281.76			$4,411.89	5,144.08
Iowa	1,368.05	20,794.58					22,162.63
Kansas	8,350.00	77,614.58					85,964.58
Kentucky					21,421.00		21,421.00
Louisiana	7,469.47				13,979.00		21,448.47
Maryland	164,747.00	13,868.06					178,615.06
Michigan	215.22						215.22
Minnesota	619.46						619.46
Mississippi		3,583.17	1,428.55				5,011.72
Missouri	736.49	914.45					1,650.94
Montana				47,634.38	4,755.46		52,389.84
Nebraska		4,505.37	2,373.10				6,878.47
New York			7,822.14				7,822.14
North Carolina	4,077.93						4,077.93
Ohio					11,030.11	5,227.93	16,258.04
Oklahoma						9,752.36	9,752.36
Pennsylvania	55,746.45						55,746.45
South Dakota	1,019.21						1,019.21
Tennessee	4,564.48						4,564.48
Texas			244,473.28	97,723.56			342,196.84
Utah	29,896.80						29,896.80
Virginia	23,299.85						23,299.85
West Virginia	13,740.07	3,576.33				5,517.26	22,833.66
Wisconsin	14,609.25	11,066.90	15,021.37	22,302.59	17,231.12	487.82	80,719.05
Total	349,932.69	150,610.85	279,532.88	194,726.53	101,690.73	[1] 25,397.26	1,101,890.94

[1] Does not include claims received in the amount of $83,086 not yet approved for payment.

Source: ASCS/BU/PAP, Apr. 15, 1970.

TITLE III—WOOL

This Title would amend the National Wool Act of 1954, as amended, to extend for three years—through December 31, 1973—the period during which prices of wool and mohair are to be supported. It would stabilize the support price for shorn wool at 72 cents per pound, grease basis, and for mohair at 80.2 cents per pound, grease basis, for those years.

Section 301 would—

(1) continue the wool and mohair program for 3 years through December 31, 1973; and

(2) establish an incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

The present Act expires on December 31, 1970. Unless extended there will be no payments on wool and mohair marketed after that date. This would leave only a loan program as a means of supporting wool prices. This did not prove a satisfactory method in the past as U.S. production piled up in Government inventories while U.S. consumption was filled increasingly by foreign wool and synthetic fibers.

The United States uses more wool than it produces. Since the United States is on an import basis, world market prices largely determine the price level for domestic wool. U.S. producers cannot compete with the lower cost producing areas. The payment method has proved to be a practical means of providing necessary income assistance to producers, while permitting domestic wool to compete with foreign wool and synthetic fibers in the domestic market.

Since 1965, the incentive price has been set by a formula in the Act. This formula has resulted in a 10 cents per pound increase in the incentive price for shorn wool at the same time market prices for wool were declining. This has resulted in increased expenditures which have exceeded $50 million during each of the last three years. Establishing the incentive at 72 cents per pound for wool and 80.2 cents per pound for mohair during the next three years is designed to keep program costs at about present levels while at the same time giving producers the price assurance they need for continuing in business and for planning their future operations.

The following tables include data on the excess of duty collections over payments under the program, incentive prices, market prices, payment rates, and total payments for wool and mohair since the payment method of support was begun under the 1954 Act.

WOOL AND MOHAIR PAYMENTS, 70 PERCENT OF DUTY COLLECTIONS AND EXCESS OF SUCH DUTY COLLECTIONS OVER PAYMENTS

[In thousands of dollars]

Period or marketing year	Payments				70 percent of duty collections [1]		Excess of 70 percent of duties over payments	
			Total					
	Wool	Mohair	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
Jan. 1, 1953 to Mar. 31, 1955					103,644	103,644		103,644
1955 (April–March)	57,621		57,621	57,621	51,500	155,144	−6,121	97,523
1956 (April–March)	51,915		51,915	109,536	51,626	206,770	−289	97,234
1957 (April–March)	16,104		16,104	125,640	47,133	253,903	+31,029	128,263
1958 (April–March)	85,143		85,143	210,783	56,769	310,672	−28,374	99,889
1959 (April–March)	53,865		53,865	264,648	68,072	378,744	+14,207	114,096
1960 (April–March)	59,490		59,490	324,138	72,049	450,793	+12,559	126,655
1961 (April–March)	56,865		56,865	381,003	74,419	525,212	+17,554	144,209
1962 (April–March)	39,195	797	39,992	420,995	90,746	615,958	+50,754	194,963
1963 (April–December)	27,270		27,270	448,265	69,338	685,296	+42,068	237,031
1964 (calendar year)	20,209		20,209	468,474	79,327	764,623	+59,118	296,149
1965 (calendar year)	34,160	1,969	36,129	504,603	121,476	886,099	+85,347	381,496
1966 (calendar year)	26,142	6,418	32,560	537,163	110,851	996,950	+78,291	459,787
1967 (calendar year)	57,906	11,516	69,422	606,585	96,950	1,093,900	+27,528	487,315
1968 (calendar year)	54,376	10,646	65,022	671,607	117,600	1,211,500	+52,578	539,893
1969 (calendar year) [2]	30,300	1,939	52,239	723,846	107,006	1,318,506	+54,767	594,660

[1] 70 percent of all duties collected on imports of wool and wool manufactures as provided under sec. 704 of the National Wool Act of 1954, as amended. From the 1958 marketing year through the 1961 marketing year, totals have been derived by allocating ½ of the reported January–June total to each of the marketing years involved. The figure for the 1963 marketing year is 75 percent of the 1963 calendar year total.

[2] Preliminary.

Source: ASCS/LD.

WOOL PRODUCTION, PRICES, VALUE OF SALES, AND PAYMENTS UNDER THE NATIONAL WOOL ACT OF 1954, AS AMENDED, 1955–70

Year	Shorn wool production (million pounds)	Support price [1] (per pound)	Average market price received by producers (per pound)	Shorn wool payment rate [2] (per unit of market return)	Value of shorn wool sales (million dollars)	Government payments [3] (million dollars)
1955	241.3	62	42.8	44.9	$103.0	$57.6
1956	242.2	62	44.3	40.0	107.2	51.9
1957	239.1	62	53.7	15.5	127.8	16.1
1958	243.7	62	36.4	70.3	88.6	85.1
1959	259.9	62	43.3	43.2	112.3	53.9
1960	265.3	62	42.0	47.6	111.1	59.5
1961	259.2	62	42.9	44.5	111.4	56.9
1962	246.6	62	47.7	30.0	117.6	39.2
1963	232.4	62	48.5	27.8	112.4	27.2
1964	212.3	62	53.2	16.5	112.9	20.3
1965	201.5	62	47.1	31.6	95.0	34.2
1966	195.1	65	52.1	24.8	101.2	26.3
1967	188.2	66	39.8	65.8	74.9	56.8
1968	177.6	67	40.5	65.4	72.0	54.1
1969 [4]	165.8	69	41.8	65.1	69.6	52.0
1970						

[1] Support price and payments are for years beginning April 1 for the 1955–62 period, the 9 months beginning Apr. 1, 1963, and calendar years beginning 1964. Prior to 1955, wool prices were supported through loans or purchases, generally for the marketing year beginning April 1.

[2] Payment rate for shorn wool is expressed as a percentage and is applied to each producer's dollar returns from the sale of wool. For example, under the 1968 program, producers received $65.40 for each $100 received in marketing wool.

[3] Includes unshorn lamb payments which are made at a rate comparable to the one for shorn wool.

[4] Preliminary.

MOHAIR PRODUCTION, PRICES, VALUE OF SALES, AND PAYMENTS UNDER THE NATIONAL WOOL ACT OF 1954, AS AMENDED, 1955–70

Year	Production [1] (million pounds)	Average support price [2] (per pound)	Average price received by producers [3] (per pound)	Mohair payment rate [4] (percent of market return)	Value of mohair sales (million dollars)	Government payments (million dollars)
1955	16.9	70	82.2		13.9	
1956	18.2	70	84.4		15.4	
1957	19.1	70	83.7		16.0	
1958	20.8	70	72.2		15.0	
1959	24.1	70	96.4		23.3	
1960	24.5	70	89.7		21.9	
1961	26.4	73	85.6		22.6	
1962	27.2	74	71.4	3.6	19.4	0.8
1963	29.0	76	88.1		25.6	
1964	29.7	72	94.3		28.1	
1965	32.4	72	65.5	9.9	21.2	2.0
1966	29.6	75.8	53.7	42.1	15.9	6.5
1967	26.3	76.4	40.9	86.8	10.8	11.4
1968	26.0	77.4	45.2	71.2	11.8	10.6
1969 [5]	21.2	77.4	65.1	18.9	13.8	2.0
1970		80.2				

[1] Production in 7 States: Texas has produced 97 to 98 percent of the total; the remainder has been produced in Arizona, New Mexico, Missouri, California, Oregon, and Utah; small quantities also have been produced in a dozen or so other States.
[2] Support prices and payments are for marketing years beginning Apr. 1 for the 1955–62 period, the 9 months Apr. 1 to Dec. 31, 1963, and calendar years begining 1964. Prior to 1955, mohair prices were supported through loans or purchases, generally for the marketing year beginning Apr. 1.
[3] Prices for 1938–56 and 1964 through 1968 are calendar year prices; prices for 1957 through 1962 are for April–March marketing years; price for 1963 is for the period April–December.
[4] Payment rate for mohair is expressed as a percentage and is applied to each producer's dollar returns from the sale of mohair. For example under the 1968 program, producers received $71.20 for each $100 received in marketing mohair.
[5] Preliminary.

TITLE IV—WHEAT

This title would continue for three years (1971 through 1973 crops) a domestic wheat certificate program within the overall framework of the voluntary set-aside program. Under this bill farmers who can produce wheat more efficiently than other crops would be afforded the opportunity to maximize their wheat acreage. This in turn would contribute towards the goal of increasing net farm income. The bill also emphasizes the need for the United States to obtain its fair share of the world market for wheat. It would permit an expansion in domestic feed utilization in years when, because of abnormally favorable weather or other causes, production exceeds domestic and export demand. It would continue the objective of balancing production with utilization.

Section 401 amends section 107 of the Agricultural Act of 1949, as amended, to provide for loans on wheat at such level not in excess of the parity price as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains. If a set-aside program is in effect, program benefits would be made available only to producers who comply with the set-aside program.

Section 402 amends sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, to provide for the issuance of domestic certificates to producers and for a voluntary set-aside program for wheat. Domestic certificates would be issued on the farm domestic allotment. The face value per bushel of the domestic certificates would be in such amount as, together with the national average market price received by farmers during the first five months of the market-

ing year for the crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop. The yield used as the basis for issuing certificates in any year would be the projected yield established for the farm with such adjustments as are necessary to provide a fair and equitable yield. In determining such fair and equitable yield, it is the intent of the Committee that the Secretary shall make adjustments if an exceptionally low yield is shown to be the result of drought or other natural disaster during the years used as the base period.

To be eligible for loans and certificates the producer is required to set aside an acreage of cropland on the farm to be specified by the Secretary (as a percentage of the domestic allotment) and devote it to approved conservation uses, and to maintain the normal conserving acreage on the farm. In order to provide an orderly transition to the set-aside program, the Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm.

Provision is made for additional voluntary diversion of acreage, for which the producer would be paid further compensation, if such additional diversion is necessary to assist in adjusting the acreage of commodities to desirable goals. The total acreage so diverted would be limited in order not to adversely affect the economy of the local community.

Producers may elect to plant and graze on the set aside acreage sweet sorghum and to plant and harvest on such acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed or any other commodity which the Secretary finds is not in surplus supply subject to conditions prescribed by the Secretary. Payments as to any portion of the required set-aside acreage devoted to such crops shall be at the same rate as would be applicable if the acreage were devoted to conservation uses.

Payments for the additional set aside acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration certain specified factors.

Grazing of the set aside acreage may only be permitted under terms and conditions prescribed by the County ASC committees, except that grazing may not be permitted during any of the five principal months of the normal growing season. Producers are required to protect the acreage set aside under the program from erosion, insects, weeds, and rodents.

Additional payments may be made to a producer who agrees to permit the use of the farm by the general public, without other compensation, for hunting, trapping, fishing, and hiking.

Certificates and payments are required to be shared among producers on the farm on a fair and equitable basis. The Secretary must provide for the issuance of certificates as soon as practicable after July 1 of the year in which the crop is harvested at a preliminary face value equal to 75 per centum of the estimated face value of certificates for the crop. The face value of certificates so issued could not be reduced if the finally determined face value is less than the preliminary face value.

If the operator of the farm desires to participate in the program he must file an agreement by the date specified by the Secretary. Loans, certificates and payments could be made available to producers only

if they set aside and divert an acreage on the farm equal to the acreage specified by the operator in his agreement.

The agreement can be modified or terminated in the event of an emergency or to alleviate a shortage.

If a producer fails to comply fully with the program, the Secretary may nevertheless issue certificates and make loans and payments in amounts determined to be equitable in relation to the seriousness of the default.

The program would be carried out through the Commodity Credit Corporation and the Secretary is authorized to issue such regulations as he determines necessary to prescribe detailed terms and conditions of the program.

The domestic allotment for wheat serves as the basis for calculating the size of payments and the amount of land to be diverted. The national domestic allotment for wheat is the number of acres the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program equal to the amount of wheat estimated will be used for food products for consumption in the United States. Domestic allotments for farms would be established in a manner similar to the manner in which farm acreage allotments are presently established, except that they will be based only on the amount of wheat required for food products for consumption in the United States. Provision is made for reducing the domestic allotment for the farm if the producer plants less than the acreage on which certificates are made available, and for the loss of an allotment if no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment. No allotment would be reduced or lost through failure to plant if the producer elects not to receive payment to which he would otherwise be entitled for the portion of the farm domestic allotment not planted. For the purpose of the provision providing for reduction or loss of the allotment, the Secretary may permit producers of wheat to have acreage devoted to soybeans or feed grains considered as devoted to the production of wheat. A farm on which not less than 90 per centum of the domestic allotment is planted to wheat is considered as having planted 100 per centum of such allotment. Acreage not planted to wheat because of a condition beyond the producer's control is considered as an acreage of wheat planted to harvest.

Up to 1 per centum of the State domestic allotment may be apportioned to farms for which there was no domestic allotment for the preceding crop, but no part of the reserve can be apportioned to reflect new cropland brought into production after the enactment of this Act.

Adjustments are authorized in acreages under the Act (including conserving use acreages) to correct for abnormal factors affecting production and to give due consideration to certain factors.

Section 403 provides for continuation of current requirements for the purchase of wheat marketing certificates by food processors at a cost (exclusive of interest) of 75 cents per bushel. The section also provides authority for the Secretary to suspend requirements for export marketing certificates for the period July 1, 1971, to June 30, 1974, in which event, refunds must be made for the cost of domestic marketing certificates on all flour exported.

Sections 404, 405 and 406 make inapplicable for the three-year period of the program, provisions of law contained in sections 331 to

339 of the Agricultural Adjustment Act of 1938, as amended, and a related statute which are inconsistent with program requirements. The section also specifically makes applicable to the set-aside program certain provisions that apply to the program currently in effect. These include section 378 of the Act which relates to the preservation of allotments for landowners displaced by a public agency having the right of eminent domain, section 379 relating to the reconstitution of farms, section 385 providing for finality of determinations, and section 706 of the Food and Agriculture Act of 1965 relating to the transfer of allotments.

Section 407 contains provisions for the reduction of the amount of wheat stored by producers prior to the 1971 crop under section 379(c)b of the Agricultural Adjustment Act of 1938, as amended.

Section 408 makes clear that certain provisions of the Agricultural Act of 1949 would apply to the loan and purchase operation for wheat and feed grains. These include section 402 which sets forth special circumstances under which support may be made available at an increased level from the maximum level otherwise provided in the Act, section 403 which authorizes adjustments in the support price of a commodity for differences in grade, location and other factors, section 406 which requires advance announcement of the level of support and section 416 which authorizes disposition of commodities to prevent waste.

Section 409 amends provisions of Section 407 of the Agricultural Act of 1949 relating to the minimum price at which CCC may sell wheat and feed grains in inventory. It establishes a floor for sales for unrestricted use at 115 per centum of the current national average loan rate for the commodity adjusted for current market differentials reflecting grade, quality, location and other value factors, plus reasonable carrying charges. It also changes the price at which purchases must be made to offset sales in the interest of the efficient conduct of the Corporation's operations to an amount not exceeding the minimum sales price for the commodity for unrestricted use.

Changes From Previous Legislation

The domestic allotment would represent only the number of acres needed to produce an amount of wheat approximating domestic food use and therefore would be substantially smaller than allotments established under prior years' production adjustment programs. Under prior years' programs, the allotment represented the maximum acreage of wheat that could be planted for harvest to be eligible for program benefits. However, the domestic allotment will not serve as a device to limit acreage of wheat, except in 1971 and 1972, when acreage may be limited to a percentage of the domestic allotment if deemed necessary to provide an orderly transition to the set-aside program.

The following tables illustrate the supply, distribution, and production of wheat and the percentage of participation and acreage diverted under past programs:

WHEAT.—PERCENTAGE OF TOTAL FARMS PARTICIPATING, PERCENTAGE OF ALLOTMENT PARTICIPATING AND ACREAGE DIVERTED, 1962–69

Program	Percent of total farms participating	Percent of allotment on participating farms	Total acres diverted (million acres)
1962	43.1	75.0	10.7
1963	23.7	45.6	7.2
1964	33.8	73.9	5.1
1965	47.8	81.6	7.2
1966	47.5	81.7	8.3
1967	45.5	83.4	0
1968	47.5	84.7	0
1969	56.3	87.6	11.1

WHEAT: SUPPLY AND DISTRIBUTION AND PRODUCTION FACTORS, 1956 TO DATE, CROP YEARS

Year beginning July 1	Supply (million bushels)				Utilization (million bushels)						Production factors		
					Domestic								
	Beginning stocks	Production	Imports [1]	Total	Food	Seed and feed	Total	Exports [2]	Total	Ending stocks	Planted acres (millions)	Harvested acres (millions)	Yield per harvested acre (bushels)
1956	1,034	1,005	8	2,047	482	106	588	550	1,138	909	60.7	49.8	20.2
1957	909	956	11	1,876	486	105	591	403	994	882	49.8	43.7	21.8
1958	882	1,457	8	2,347	497	112	609	443	1,052	1,295	56.0	53.0	27.5
1959	1,295	1,118	7	2,420	497	100	597	510	1,107	1,313	56.7	51.7	21.6
1960	1,313	1,355	8	2,676	497	107	604	661	1,265	1,411	54.9	51.9	26.1
1961	1,411	1,232	6	2,649	510	107	608	719	1,327	1,322	55.7	51.6	23.9
1962	1,322	1,092	5	2,419	500	80	580	644	1,224	1,195	49.3	43.7	25.0
1963	1,195	1,147	4	2,346	503	86	589	856	1,445	901	53.4	45.5	25.2
1964	901	1,284	1	2,186	509	135	644	725	1,369	817	55.7	49.8	25.8
1965	817	1,316	1	2,134	515	217	732	867	1,599	535	57.4	49.6	26.5
1966	535	1,312	2	1,849	502	178	680	744	1,424	425	54.4	49.9	26.3
1967	425	1,522	1	1,948	519	129	648	761	1,409	539	67.8	58.8	25.9
1968 [3]	539	1,577	1	2,117	520	234	754	544	1,298	819	62.5	55.3	28.5
1969 [3]	819	1,459	1	2,279	525	255	780	600	1,380	899	54.3	47.6	30.7

[1] Imports include full duty wheat, wheat imported for feed and dutiable flour and other wheat products in terms of wheat equivalent.

[2] Exports include flour wholly from U.S. wheat and other wheat products in terms of wheat equivalent.

[3] Preliminary.

WHEAT—ESTIMATED SUPPLY DISTRIBUTION BY CLASSES, UNITED STATES

[In millions of bushels]

	Hard winter	Red winter	Hard spring	Durum	White	Total
1965–66						
Carryover, July 1	532	7	200	68	10	817
Production	673	185	209	70	179	1,316
Imports [1]			1			1
Supply	1,205	192	410	138	189	2,134
Exports [1]	595	45	86	34	107	867
Domestic disappearance [2]	343	139	138	50	62	732
Carryover, June 30	267	8	186	54	20	535
1966–67						
Carryover, July 1	267	8	186	54	20	535
Production	678	217	177	63	177	1,312
Imports [1]			2			2
Supply	945	225	365	117	197	1,849
Exports [1]	377	68	120	47	132	744
Domestic disappearance [2]	311	142	136	41	50	680
Carryover, June 30	257	15	109	29	15	425
1967–68 [3]						
Carryover, July 1	257	15	109	29	15	425
Production	706	274	230	66	246	1,522
Imports [1]			1			1
Supply	963	289	340	95	261	1,948
Exports [1]	373	121	73	31	163	761
Domestic disappearance [2]	262	138	138	40	70	648
Carryover, June 30	328	30	129	24	28	539
1968–69 [3]						
Carryover, July 1	328	30	129	24	28	539
Production	811	224	228	100	214	1,577
Imports [1]			1			1
Supply	1,139	254	358	124	242	2,117
Exports [1]	324	171	138	37	84	754
Domestic disappearance [2]	268	50	80	46	100	544
Carryover, June 30	547	33	140	41	58	819

[1] Imports and exports are of wheat including flour and other products in terms of wheat.
[2] Wheat used for food (in the United States and U.S. territories and by the military both at home and abroad), feed, seed, and industry.
[3] Preliminary.

TITLE V—FEED GRAINS

This title establishes a new feed grain program for the next three years (1971 through 1973 crops) and is designed to give greater decision-making to the farmer, encourage exports of feed grains, reduce government expenditures and enable farmers to maximize production of the crop they can produce most efficiently.

Section 501 amends section 105 of the Agricultural Act of 1949, as amended, to establish a voluntary set-aside program for the 1971, 1972, and 1973 crops of feed grains. Loans and purchases would be made available on corn at such a level (not more than 90 percent of the parity price therefor) as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States. Loans and purchases would be made available on the other feed grains at a fair and reasonable level in relation to the level that loans are made available on corn, taking into consideration in the case of barley, oats, and rye the feeding value of the feed grain in relation to corn and the other factors specified

in section 401(b). The bill provides that the loan rate for grain sorghums be established on the basis of only two factors—the feeding value and average transportation costs to market of grain sorghums in relation to corn. This revision is designed and intended to increase the loan on grain sorghum in relation to corn.

Payments would be made available to producers for corn, grain sorghum and, if designated by the Secretary, barley on 50 percent of the feed grain base for the farm, computed on the basis of the yield for the preceding crop with adjustments determined necessary for a fair and equitable yield. The rate for corn would be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghum and if designated by the Secretary, barley would be fair and reasonable in relation to the payment rate for corn.

The Secretary is required to make a preliminary payment to producers as soon as practicable after July 1 in the year in which the crop is harvested at 32 cents per bushel for corn and at comparable rates for grain sorghum and barley. The payment so made cannot be reduced if the finally determined rate is less than the preliminary payment.

Provisions in the bill concerning the set-aside program for feed grains are similar to those for wheat. To be eligible for loans and payments, the producer is required to set aside an acreage of cropland on the farm as specified by the Secretary (as a percentage of the feed grain base) and devote the acreage to approved conservation uses. In addition the producer must maintain the normal conserving acreage on the farm. In order to provide an orderly transition to the set-aside program, the Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm.

Provision is made for additional voluntary diversion of acreage for which the producers would be paid additional compensation if such additional diversion is necessary to assist in adjusting the acreage of commodities to desirable goals. The total acreage so diverted would be limited in order not to affect adversely the economy of the local community.

Producers may elect to plant and graze on the set aside acreage sweet sorghum and to plant and harvest on such acreage guar, sasame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed or any other commodity which the Secretary finds is not in surplus supply subject to conditions prescribed by the Secretary. Payments as to any portion of the required set-aside acreage devoted to such crops shall be at the same rate as would be applicable if the acreage were devoted to conservation uses.

Payments for the additional set aside acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration certain specified factors.

Grazing of the set aside acreage may only be permitted under terms and conditions prescribed by the County ASC committees, except that grazing may not be permitted during any of the five principal months of the normal growing seasons. The set-aside and additional diverted acreage must be protected from erosion, insects,

weeds and rodents and may be devoted to wildlife food plots or wildlife habitat in conformity with standards established in consultation with wildlife agencies.

Payments are also authorized if the producer agrees to the use of the farm by the public for hunting, trapping, fishing, and hiking.

Payments must be shared among the producers on the farm on an equitable basis.

If the operator of the farm wishes to participate in the program, he must file an agreement. Program benefits are made available to producers on the farm only if they set aside and divert the acreage which the operator agreed to set aside and divert. The agreement may be terminated in an emergency or to alleviate a shortage.

Establishment of feed grain bases is provided for in the bill to serve as the basis for calculating the size of payments and the amount of land to be diverted. The feed grain base is the average acreage devoted on the farm in 1959 and 1960 to the kind of feed grains on which payment is made. Authority is conferred on the Secretary to adjust acreages including the conserving use acreage.

This section also creates a "pool" of feed grain bases, comprised of acreage which producers have failed to plant, available to county and, in turn, State committees for use in adjusting producer bases.

Provision is made for reducing the feed grain base for the farm if the producer plants an acreage of feed grains less than the portion of the feed grain base on which payments are made available and for the loss of the feed grain base for any farm on which no acreage has been planted to feed grains for three consecutive crop years.

An acreage not planted to feed grains because of a condition beyond the producer's control is considered as feed grains planted to harvest. The Secretary may permit producers to plant soybeans or wheat in lieu of feed grains and not lose history as a result of the underplanting of feed grains.

One percent of the estimated feed grain bases for farms in a State for any year may be apportioned to farms on which there was no acreage devoted to feed grains in the crop years 1959 and 1960. The reserve, however, cannot be allocated to reflect new cropland brought into production after the date of enactment of this statute.

The Secretary can issue regulations determined necessary to prescribe detailed terms and conditions of the program. The program is to be carried out through Commodity Credit Corporation.

These features of the present feed grain program are continued:

1. The set-aside program is voluntary, with price support and other benefits limited to participants.

2. Crops included in the diversion program are corn, sorghums and, if designated by the Secretary, barley.

3. Total support will be made up of a loan plus price support payments to assure participants of an advantage over nonparticipants and to maintain producer incomes. Such payments will be made on 50 percent of the farm's feed grain base.

4. Participants, to be eligible for price support and payments, will be required to divert or set aside an acreage equal to a specific percentage of their feed grain bases.

5. Payment for diverting additional acreage is authorized.

6. All diversion will be in addition to the acreage on the farm devoted to conserving uses in preceding years.

7. Authority is provided for the growing of crops on set-aside acreages.

8. Free substitution of feed grain and wheat acreage is provided by the very nature of the program.

9. Farmers prevented from planting their feed grains because of some natural disaster will suffer no loss of program benefits or base acreage.

10. Numerous other provisions such as, for example, sharing of payments by producers on a farm and program financing will be the same as under the current program.

This bill differs from the present program as follows:

1. Participants will no longer be required to limit acreage planted to feed grains to the base acreage less diversion. As long as they set aside an acreage equal to the agreed-to percentage of the feed grain base and maintain, in addition, the required acreage devoted to conserving use, they will be free to plant all remaining available acreage to whatever crop they feel will provide them with the greatest return over production costs.

2. Participants will no longer be required to plant half their base acreage to feed grains to obtain price support payments. As long as they comply with program requirements, participants will be eligible for price support payments and can plant their entire remaining acreage to the crop of their choice.

3. The Secretary of Agriculture is authorized to limit acreage planted to feed grains in 1971 and 1972 only to assure an orderly transition from present production patterns.

4. While calculated somewhat differently, farmers will receive, in addition to the loan, income-supplementing direct payments on half their base acreage, just as at present. These will assure participants of obtaining at least $1.35 per bushel for their corn production—equal to the current support price for corn. The size of the payment will be the difference between the estimated market price received by farmers in the first five months of the marketing year and the total guarantee. Like the loan rate, grain sorghum and barley payments will be fixed in relation to the corn payment.

5. A preliminary payment will be made to participants as soon as practicable after July 1 of the year the crop is harvested. This payment (at least 32 cents per bushel on corn) will not be reduced if the finally determined payment is less than the preliminary payment.

6. An additional payment is authorized to producers who provide the general public with access to the farm acreage devoted to conserving uses, for hunting, fishing, trapping, and hiking.

7. Total acreage to be delivered will be limited to avoid adverse effects on the economy of counties and local communities.

8. The CCC sales price for unrestricted use will be 115 percent of the national average loan rate plus carrying charges. (At present, the CCC sales price is 105 percent of the support price plus carrying charges, except when total carryover is less than 25 percent of utilization. In such case, the sales price increases to 115 percent of the loan rate plus carrying charges.)

9. Authority is provided for the adjustment of farm bases, providing recognition for the changes in agriculture that have taken place since 1959–60. Such adjustments will be drawn from a pool made up of acreage lost by farmers who no longer plant feed grains.

10. The support price for grain sorghum in relation to corn will be increased.

The following tables summarize feed grain supply, disappearance and gross returns as well as participation and diversion for the 1961–69 programs:

TOTAL 4., FEED GRAINS (CORN, SORGHUM, BARLEY AND OATS): SUPPLY, DISAPPEARANCE, VALUE OF PRODUCTION PLUS PAYMENTS AND ACREAGE, U.S., MARKETING YEARS, 1956–69

[All data in millions]

Year beginning [1]	Supply (tons)						Utilization (tons)				Value of production plus payments	Production factors	
	Carryover						Domestic						
	Government [2]	Other	Total	Production	Imports [3]	Total	Feed	Food seed and industry	Exports [3]	Total		Planted acres	Harvested acres
1956	34.7	8.5	43.2	119.3	0.9	163.4	94.3	12.6	7.7	114.6	5,366	158	120
1957	40.8	8.0	48.8	132.4	1.0	182.2	100.9	12.5	9.8	123.2	5,117	158	132
1958	49.7	9.3	59.0	144.1	.4	203.5	110.4	13.0	12.6	136.0	5,573	148	126
1959	58.0	9.5	67.5	149.5	.5	217.6	116.9	13.2	12.8	142.9	5,520	154	130
1960	65.7	8.9	74.6	155.5	.4	230.5	119.4	13.4	12.7	145.5	5,492	148	127
1961	74.7	10.3	85.0	139.8	.5	225.3	122.0	13.8	17.3	153.1	5,448	128	105
1962	62.5	9.7	72.2	141.7	.2	214.1	119.0	13.9	16.8	149.7	5,563	124	102
1963	55.8	8.6	64.4	153.8	.4	218.6	116.2	14.3	18.8	149.3	6,363	128	106
1964	56.6	12.7	69.3	134.2	.4	203.9	113.0	14.5	21.6	149.1	5,761	120	97
1965	43.7	11.1	54.8	157.4	.3	212.5	126.3	15.0	29.1	170.4	6,812	116	96
1966	24.4	17.7	42.1	157.6	.3	200.0	125.7	15.2	22.0	162.9	7,377	117	98
1967	18.3	18.8	37.1	176.0	.3	213.4	126.4	15.4	23.3	165.1	7,503	121	101
1968	29.5	18.8	48.3	168.9	.3	217.5	133.4	15.7	18.4	167.5	7,837	117	97
1969 (estimate)	33.4	16.6	50.0	174.2	.3	224.5	140.5	16.0	18.0	174.5	8,599	116	95

[1] Marketing year beginning Oct. 1 for corn and grain sorghum; July 1 for barley and oats.
[2] Under loan and owned by CCC.
[3] Includes grain equivalent of products.
[4] Harvested for grain.

Source: U.S. Department of Agriculture.

FEED GRAINS: SUPPLIES, UTILIZATION AND PRODUCTION FACTORS, UNITED STATES, ANNUAL 1956–69

[All data in millions except yields]

Marketing year Carryover [1]	Supply (bushels)				Utilization (bushels)				Production factors		
					Domestic						
	Carryover	Production	Imports [2]	Total	Feed	Food seed and industry	Exports [2]	Total	Planted acres	Harvested acres [3]	Yield per harvested acre (bushels)
CORN											
1956	1,165	3,075	1	4,241	2,377	261	184	2,822	78	65	47.4
1957	1,419	3,045	2	4,466	2,535	262	200	2,997	73	63	48.3
1958	1,469	3,356	1	4,826	2,782	290	230	3,302	73	64	52.8
1959	1,524	3,825	1	5,350	3,043	290	230	3,563	83	72	53.1
1960	1,787	3,907	1	5,695	3,092	295	292	3,679	81	71	54.7
1961	2,016	3,598	1	5,615	3,212	315	435	3,962	66	58	62.4
1962	1,653	3,606	1	5,260	3,157	322	416	3,895	65	56	64.7
1963	1,365	4,019	1	5,385	3,009	339	500	3,848	69	59	67.9
1964	1,537	3,484	1	5,022	2,957	348	570	3,875	66	55	62.9
1965	1,147	4,084	1	5,232	3,347	358	687	4,392	65	55	73.8
1966	840	4,117	1	4,958	3,284	364	487	4,135	66	57	72.3
1967	823	4,760	1	5,584	3,421	368	633	4,422	71	61	78.6
1968	1,162	4,393	1	5,556	3,535	372	536	4,443	65	56	78.6
1969 estimate	1,113	4,578	1	5,692	3,664	378	550	4,592	64	55	83.9
GRAIN SORGHUM											
1956	81	205		286	173	12	22	207	21	9	22.2
1957	79	568		647	269	12	57	338	27	20	28.8
1958	309	581		890	269	11	100	380	21	17	35.2
1959	510	581		1,065	372	14	98	484	20	15	36.1
1960	581	620		1,201	415	13	71	499	20	16	39.7
1961	702	480		1,182	411	11	99	521	14	11	43.7
1962	661	510		1,171	391	12	113	516	15	12	44.1
1963	655	585		1,240	471	13	107	591	18	13	43.9
1964	649	490		1,139	412	13	148	573	17	12	41.7
1965	566	673		1,239	569	13	266	848	17	13	51.6
1966	391	715		1,106	600	14	248	862	16	13	55.8
1967	244	756		1,000	532	13	166	711	19	15	50.4
1968	289	740		1,029	622	13	106	741	18	14	52.9
1969 estimate	288	743		1,031	698	13	80	791	17	14	55.2

SUPPORT PRICE, SEASON AVERAGE PRICE RECEIVED BY FARMERS AND CCC HOLDINGS, 1956–69 CROPS

CORN

Crop year beginning Oct. 1	Price per bushel (dollars)			CCC holdings at end of marketing year [1] (million bushels)		
	Total support	Loan rate	Season average	Inventory	Loans	Total
1956	[2] 1.50	1.50	1.29	873.3	386.6	1,259.9
1957	[2] 1.40	1.40	1.11	1,077.1	276.7	1,353.8
1958	[2] 1.36	1.36	1.12	1,184.4	216.3	1,400.7
1959	1.12	1.12	1.05	1,312.8	389.4	1,702.2
1960	1.06	1.06	1.00	1,371.0	556.3	1,927.3
1961	1.20	1.20	1.10	867.3	688.8	1,556.1
1962	1.20	1.20	1.12	802.6	525.5	1,328.1
1963	1.25	1.07	1.11	828.4	480.3	1,308.7
1964	1.25	1.10	1.17	540.3	392.5	932.8
1965	1.25	1.05	1.16	248.6	301.1	549.7
1966	1.30	1.00	1.24	138.8	234.5	373.3
1967	1.35	1.05	1.03	182.3	533.2	715.5
1968	1.35	1.05	1.08	295.1	442.1	737.2
1969 (estimate)	1.35	1.05	1.13	300.0	450.0	750.0
GRAIN SORGHUM						
1956	1.10	1.10	1.15	75.1	24.7	99.8
1957	1.04	1.04	.973	294.9	35.5	330.4
1958	1.02	1.02	.999	490.6	24.7	515.3
1959	.85	.85	.858	561.6	22.1	583.7
1960	.85	.85	.836	673.5	43.3	716.8
1961	1.08	1.08	1.01	647.6	36.5	684.1
1962	1.08	1.08	1.02	612.1	37.7	649.8
1963	1.12	.96	.975	615.2	49.7	664.9
1964	1.12	.99	1.05	539.5	46.6	586.1
1965	1.12	.92	1.00	384.6	38.0	422.6
1966	1.15	.85	1.02	193.1	27.7	220.8
1967	1.20	.90	1.00	192.5	64.9	257.4
1968	1.20	.91	.95	198.7	62.5	261.2
1969 (estimate)	1.20	.90	1.08	160.0	50.0	210.0

[1] As of Sept. 30 of the calendar year following the year of the crop.
[2] Support for noncompliers was 25 cents per bushel less in 1956 and 30 cents per bushel less in 1957 and 1958.

Source: U.S. Department of Agriculture.

FEED GRAIN PROGRAMS

Program	Percent of total farms participating	Percent of total base participating	Acreage diverted (million acres)	Payments (price support and diversion, millions of dollars) [1]
1961 [2]	40.0	59.0	25.2	782
1962	38.3	55.2	28.2	844
1963	37.3	58.6	24.5	846
1964	39.0	58.4	32.4	1,171
1965	44.8	65.5	34.8	1,382
1966	44.3	61.6	34.7	1,296
1967 [2]	43.2	60.7	20.3	867
1968 [2]	47.2	65.6	32.4	1,368
1969	50.0	68.4	39.1	1,644

[1] Payments under the 1961–69 programs.
[2] Corn and grain sorghams only, barley included in other years.

TITLE VI—COTTON

This title provides for a new upland cotton program for the three crop years 1971–1973.

Section 601 amends the Agricultural Adjustment Act of 1938, as amended, effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346 and 377 of the Act would not be applicable to upland cotton of the 1971, 1972 and 1973 crops.

(2) New section 342a would be added to the Act to provide for the proclamation of a National Cotton Production Goal by the Secretary not later than November 15 of the calendar years 1970, 1971 and 1972 for the 1971, 1972 and 1973 crops of upland cotton. Such goal for any year would be the number of bales of upland cotton (standard bales—480 pounds net weight) equal to the estimated domestic consumption and exports for the marketing year beginning in the calendar year for which such goal is proclaimed, plus an allowance of not less than 5 percent of such estimated consumption and exports for market expansion. The Secretary would be authorized to make such adjustments in the goal as he determined necessary to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 percent of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and to provide an adequate reserve for purposes of national security.

(3) Section 344a of the Act would be amended effective for the 1971, 1972 and 1973 crops only to require the Secretary to permit certain types of transfers of all or part of farm base acreage allotments between farms in the same State. Such transfers would be of the following types:

(a) Transfer by sale on a permanent basis to take effect beginning in any of the years 1971, 1972 or 1973;

(b) Transfer by lease on a temporary basis to take effect beginning in 1971, 1972 or 1973 for a one to three year term not to extend beyond the 1974 crop;

(c) Transfer by the owner of a farm to any other farm in the same State owned or controlled by him to take effect beginning in any of the years 1971, 1972 or 1973;

(d) Temporary transfers by lease or by owner approved by the county committee under current provisions of law to take effect during the period 1966 through 1970 for a term extending beyond 1970 would be approved, if the term of the temporary transfer included them, for the 1971, 1972, and 1973 crops pro rata on the basis of the 1971, 1972, and 1973 farm base acreage allotment for the farm from which transfer is made;

(e) No temporary transfer by lease entered into after March 15, 1970, could be approved for 1974 and subsequent crops.

The requirements for referendum approval of cross-county line sale and lease transfers (sec. 344a (b) (ii)), prohibition of sale transfers from a farm which has received a transfer by sale within the three immediately preceding crop years (sec. 344a (b) (iv)), limitation on amount of allotment on a farm receiving sale or lease transfers (sec. 344a (b) (v)), and the limitation on planting cotton on farms transferring allotment by sale or lease (sec. 344a (b) (vi)) would not be applicable to the 1971, 1972 and 1973 crops. In addition the provisions of subsections (e) (minimum allotments), and (h) (cotton-rice exchanges) of section 344a would not be applicable to the 1971, 1972 and 1973 crops.

(4) Section 350 of the Act would be amended to provide for establishment of base acreage allotments.

Subsection (a) would require the Secretary to establish a national base acreage allotment for the 1971, 1972 and 1973 crops of upland cotton and to announce such national allotment not later than November 15 of the calendar year preceding the year for which it is to be effective. The national base acreage allotment for the 1971 crop shall be 11,500,000 acres and for the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

Subsection (b) would provide for the apportionment of the national base acreage allotment to the States on the basis of the acreage planted and regarded as planted to upland cotton within the farm acreage allotment or the farm base acreage allotment, as applicable, during the five year period immediately preceding the calendar year in which the national goal was proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

Subsection (c) would provide for the apportionment of the State base acreage allotment to the counties on the same basis as to years and conditions as applicable to the State under subsection (b), except that the State committee would be authorized to establish a State reserve not to exceed 2 percent of its State allotment. The State reserve would be available to adjust county allotments for trends and abnormal conditions adversely affecting plantings, for small farms, new farms, or to correct inequities in farm allotments and to prevent hardships.

Subsection (d) would authorize the Secretary to adjust the apportionment base for each county as necessary because of transfers of allotments across county lines.

Subsection (e) (1) would provide for apportionment of the county base acreage allotment for the 1971 crop to old cotton farms in the county on the basis of the 1970 farm domestic acerage allotment and for the 1972 and subsequent crops on the basis of the farm base acreage allotment established for the farm for the preceding year. The county committee would be authorized to establish a county reserve not in excess of 10 percent of the county allotment. The county reserve and State reserve made available to the county for farm allotment adjustments would be used to establish new farm allotments and to adjust old farm allotments on the basis of factors and criteria specified. However, no part of such reserves could be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

Subsection (e) (2) would require reduction of the farm base acreage allotment used as a base for the succeeding crop if the total acerage of cotton planted on a farm was less than the farm base acreage allotment. Such reduction would be by the percentage that such planted acreage was less than such farm base acreage allotment not to exceed 20 percent per year. If not less than 90 percent of the farm base acreage allotment was planted to cotton, the farm would be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. In addition, for purposes of subsection (e) (2), an acreage on the farm which the Secretary determined was not planted to cotton because of drought, flood, other natural disaster, or a con-

dition beyond the control of the producer would be considered to be an acreage planted cotton.

If wheat or feed grain producers are permitted to plant soybeans, wheat, or feed grains and preserves their history, cotton producers shall also be permitted to plant such crops in lieu of cotton and preserve their cotton history.

Subsection (e) (3) would provide for loss of the base acreage allotment if no acreage was planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years.

Subsection (f) would permit release and reapportionment of upland cotton farm base acreage allotments for the 1971, 1972 and 1973 crops. The manner and terms and conditions applicable to such release and reapportionment would be similar to current provisions of law.

Subsection (g) would provide that any farm receiving any base acreage allotment through reapportionment of released allotment, sale, lease or transfer shall comply with set-aside requirements applicable to such received allotment.

Subsection (h) would provide for natural disaster transfers of allotment from an affected farm to another farm in the county or in an adjoining county in a manner similar to current provisions of law.

Section 602 amends section 103 of the Agricultural Act of 1949, as amended, effective beginning with the 1971 crop by adding a new subsection (e).

Subsection (e) (1) would provide that the Secretary make available for the 1971, 1972 and 1973 crops of upland cotton to cooperators loans at such levels as would reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 percent of the estimated average world price for such cotton.

Subsection (e) (2) would provide that, in addition, the Secretary make available to cooperators payments on the 1971, 1972 and 1973 crops of upland cotton. The payments would be at such rate per pound as, together with national average market price for Middling one-inch upland cotton (micronaire 3.5 through 4.9) in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determined would be equal to 35 cents. However, the rates of payment so determined for the 1972 and 1973 crops, respectively would be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the acreage allotment for the 1971 crop to (ii) the estimated production on the national base acreage allotment for the crop for which the rate was being determined. Preliminary payments would be made to producers as soon as practicable after July 1 of the year in which the crop was harvested, at a rate equal to 15 cents per pound. The payments so made could not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

Subsection (e) (3) would provide that such payments be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to cotton for the three preceding years with adjustments for abnormal yields caused by flood, drought, or other natural disaster. However,

payments would be made on any farm planting not less than 90 percent of the farm base acreage allotment on the basis of the entire allotment. For purposes of paragraph (3) of section 103(e), an acreage on the farm which the Secretary determined was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer would be considered an acreage planted to cotton.

Subsection (e)(4) would authorize the Secretary to require a set-aside of cropland if he determined that the total supply of agricultural commodities would, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices to meet a national emergency. If a set-aside of cropland was in effect, as a condition of eligibility for loans and payments on upland cotton, producers on a farm would be required to set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage not to exceed 33⅓ percent of the farm base acreage allotment for the farm specified by the Secretary plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses as determined by the Secretary. The Secretary could permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he prescribed.

Subsection (e)(5) would require the producer to protect the set-aside acreage from erosion, insects, weeds, and rodents in a manner deemed appropriate by the Secretary. The Secretary could permit such acreage to be devoted to wildlife food plots or wildlife habitat in conformity with prescribed standards. The Secretary could provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit of the general public if the producer agreed to permit, without other compensation, access to all or such portion of the farm as the Secretary prescribed by the general public for hunting, trapping, fishing and hiking, subject to applicable State and Federal regulations.

Subsection (e)(6) provides for filing by the farm operator of his agreement to participate in the program by a prescribed closing date. Producers would be required to agree to set aside and devote to approved soil conserving uses the specified acreages and compliance therewith would be a condition of eligibility for loans, purchases and payments. The Secretary could by mutual agreement with the producer terminate or modify any such agreement if he determined such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.

Subsection (e)(7) would require the Secretary to provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in payments.

Subsection (e)(8) would authorize the Secretary, in any case of failure to fully comply with the terms and conditions of the program, to make loans, purchases, and payments in such amounts as he determined to be equitable in relation to the seriousness of the default.

Subsection (e)(9) would authorize the Secretary to issue such regulations as he determines necessary to prescribe detailed terms and conditions to effectuate the program.

Subsection (e)(11) would make the provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), applicable to payments under subsection (e).

Section 603 amends section 407 of the Agricultural Act of 1949, as amended, effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, to provide for sale of upland cotton by the Commodity Credit Corporation for unrestricted use at the same prices as it sold for export, in no event, however, at less than 110 percent of the loan rate for Middling one-inch cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location and other value factors as deemed appropriate by the Secretary, plus reasonable carrying charges.

Section 604 amends section 408(b) of the Agricultural Act of 1949, as amended, to provide that for the 1971, 1972 and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has ben established who has set aside the acreage required under section 103(e).

Sections 605, 606, and 607 make certain technical amendments, effective only with respect to the 1971, 1972 and 1973 crops, to the Agricultural Adjustment Act of 1938, as amended, section 706 of Public Law 89–321 (79 Stat. 1210), and the Agricultural Act of 1949, as amended, in order to conform them to the other provisions of the bill.

Section 608 makes section 203 of the Agricultural Act of 1949, as amended, in applicable to the 1971, 1972 and 1973 crops. Section 203 provides that whenever the price of either cottonseed or soybeans is supported, the price of the other shall be supported at such level as will cause them to compete on equal terms in the market.

Section 609 requires the Secretary to file annually with the President for transmission to the Congress a complete report of the programs carried out under this title.

The following charts show cotton acreage, production, supply and distribution for recent years:

COTTON: (OTHER THAN EXTRA-LONG STAPLE) SUPPLY AND DISTRIBUTION, UNITED STATES, 1950 TO DATE

Year beginning Aug. 1	Supply						Distribution		
		Ginnings							
	Carry-over Aug. 1	Current crop less beginnings prior to Aug. 1 of current season	New crop prior to Aug. 1 end of season	Net imports (total less re-exports)	City crop	Total	Mill consumption	Net exports (total less re-imports [2])	Total
	[1,000 bales [1]]								
1950	6,781.1	9,565.0	223.6	67.6	28.0	16,665.3	[3] 10,357.0	4,107.7	[4] 14,491.7
1951	2,195.5	14,806.3	176.4	26.1	40.0	17,244.3	[3] 9,116.5	5,514.8	[4] 14,666.3
1952	2,741.1	14,684.7	345.9	60.7	42.0	17,874.4	[3] 9,358.1	3,048.2	[4] 12,456.2
1953	5,511.1	15 906.8	388.2	49.5	43.0	21,898.6	8,475.5	3,760.5	[4] 12,311.0
1954	9,569.5	13,190.1	314.0	47.9	46.0	23,167.5	8,729.9	3,445.1	[4] 12,235.0
1955	11,028.5	14,186.6	404.8	50.7	47.0	25,717.6	[3] 9,084.7	2,194.4	11,279.1
1956	14,399.0	12,697.3	230.8	43.3	50.0	27,420.4	[3] 8,496.2	7,539.8	16,036.0
1957	11,269.3	10,569.9	212.6	96.6	58.0	22,206.4	[3] 7,899.8	5,707.1	13,606.8
1958	8,615.3	11,140.9	150.5	51.0	51.0	20,008.7	[3] 8,593.7	2,766.0	11,359.6
1959	8,732.6	14,295.5	139.8	47.5	50.0	23,265.4	8,879.4	7,178.2	16,057.6
1960	7,404.3	14,059.2	227.7	[5] 41.5	63.0	21,795.7	[3] 8,131.2	6,625.0	14,756.3
1961	7,089.5	14,035.8	287.4	[5] 68.2	64.0	21,544.9	[3] 8,783.2	4,905.8	13,869.0
1962	7,741.0	14,467.0	244.7	54.5	68.0	22,575.2	[3] 8,258.3	3,348.2	11,606.5
1963	11,016.0	14,884.1	152.1	[6] 54.4	102.0	26,208.6	[3] 8,468.0	5,660.8	14,128.8
1964	12,125.1	14,880.2	180.1	[6] 35.5	70.0	27,290.9	9,018.6	4,038.4	13,057.0
1965	14,031.3	14,667.2	9.9	[6] 30.8	87.6	28,826.8	9,355.9	2,936.4	12,292.3
1966	16,574.0	9,481.3	256.5	[6] 28.9	50.0	26,390.7	[3] 9,349.9	4,655.9	14,005.8
1967	12,279.5	7,113.8	6.1	[6] 57.6	30.0	19,487.0	[3] 8,854.0	4,161.3	13,015.3
1968	6,257.6	10,832.3	79.8	[6] 37.9	40.0	17,247.6	[3] 8,115.9	2,722.9	10,838.8
1969 [7]	[8] 6,365.5	[9] 9,866.7	----------	30.0	40.0	16,302.2	8,000.0	2,600.0	10,600.0

[1] Running bales except "net imports" which are in bales of 500 pounds, gross weight.
[2] Beginning 1956, reexports no longer published.
[3] Adjusted to cotton marketing year basis, August 1 to July 31.
[4] Includes small amount of destroyed cotton.
[5] Does not include picker laps reported as raw cotton by the Bureau of the Census.
[6] Imports for consumption.
[7] Preliminary and estimated.
[8] Revised.
[9] Crop Reporting Board report of May 8, 1970.

Source: USDA, May 8, 1970.

PRODUCTION AND PERCENTAGE DISTRIBUTION OF COTTON BY REGIONS, UNITED STATES, 1930 TO DATE

Year beginning Aug. 1	Production (1,000 bales) [1]					Percentage of United States			
	West [2]	South-west [3]	Delta States [4]	South-east [5]	United States	West [2]	South-west [3]	Delta States [4]	South-east [5]
1930	519	4,892	3,588	4,933	13,932	4	35	26	35
1931	393	6,582	5,464	4,658	17,097	2	39	32	27
1932	270	5,584	3,921	3,228	13,003	2	43	30	25
1933	407	5,695	3,389	3,556	13,047	3	44	26	27
1934	466	2,722	3,157	3,291	9,636	5	28	33	34
1935	449	3,523	3,171	3,495	10,638	4	33	30	33
1936	744	3,223	4,724	3,708	12,399	6	26	38	30
1937	1,214	5,928	6,787	5,017	18,946	6	31	36	27
1938	716	3,649	4,571	3,007	11,943	6	31	38	25
1939	747	3,372	4,646	3,052	11,817	6	29	39	26
1940	868	4,036	4,122	3,540	12,566	7	32	33	28
1941	691	3,370	4,266	2,417	10,744	6	31	40	23
1942	706	3,746	5,109	3,256	12,817	6	29	40	25
1943	580	3,207	4,502	3,138	11,427	5	28	39	28
1944	579	3,280	4,939	3,432	12,230	5	27	40	28
1945	576	2,079	3,644	2,716	9,015	7	23	40	30
1946	758	1,931	3,412	2,539	8,640	9	22	39	30
1947	1,185	3,767	4,192	2,716	11,860	10	32	35	23
1948	1,532	3,527	6,282	3,536	14,877	10	24	42	24
1949	2,088	6,650	4,878	2,512	16,128	13	41	30	16
1950	1,639	3,188	3,518	1,669	10,014	16	32	35	17
1951	2,842	4,536	4,467	3,304	15,149	19	30	29	22
1952	3,098	4,072	5,068	2,901	14,139	21	27	33	19
1953	3,166	4,754	5,646	2,899	16,465	19	19	34	18
1954	2,716	4,234	4,507	2,240	13,697	20	31	33	16
1955	2,201	4,502	5,313	2,705	14,721	15	31	36	18
1956	2,578	3,876	4,629	2,227	13,310	19	29	35	17
1957	2,539	3,895	3,010	1,520	10,964	23	36	27	14
1958	2,644	4,621	2,883	1,364	11,512	23	40	25	12
1959	2,973	4,797	4,784	2,004	14,558	20	33	33	14
1960	3,086	4,804	4,448	1,934	14,272	22	34	31	13
1961	2,823	5,155	4,497	1,843	14,318	20	36	31	13
1962	3,128	5,037	4,724	1,978	14,867	21	34	32	13
1963	2,830	4,753	5,423	2,328	15,334	19	31	35	15
1964	2,822	4,410	5,483	2,467	15,182	19	29	36	16
1965	2,714	5,037	5,066	2,156	14,973	18	34	34	14
1966	1,928	3,396	3,086	1,165	9,575	20	36	32	12
1967	1,655	2,961	2,184	658	7,458	22	40	29	9
1968	2,488	3,789	3,621	1,050	10,948	23	35	33	10
1969 [6]	2,109	3,141	3,705	1,060	10,015	21	31	37	11

[1] 500-pound gross weight bales.
[2] California, Arizona, New Mexico, and Nevada.
[3] Texas, Oklahoma, and Kansas.
[4] Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.
[5] Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.
[6] Crop Reporting Board report of May 8, 1970.

COTTON—ALL KINDS, ACREAGE PLANTED, AND PERCENTAGE DISTRIBUTION, BY REGIONS, UNITED STATES, 1944 TO DATE

Crop year beginning August 1	West [1]		Southwest [2]		Delta [3]		Southeast [4]		United States,
	1,000 acres	Percent	1,000 acres	Percent	1,000 acres	Percent	1,000 acres	Percent	1,000 acres
1944	567	2.8	8,795	43.5	6,213	30.7	4,646	23.0	20,221
1945	594	3.3	7,445	41.2	5,778	31.9	4,275	23.6	18,092
1946	628	3.4	7,615	40.8	5,996	32.2	4,399	23.6	18,638
1947	939	4.3	9,700	44.5	6,557	30.1	4,590	21.1	21,786
1948	1,317	5.6	10,070	42.7	7,308	31.0	4,881	20.7	23,576
1949	1,642	5.8	12,685	44.8	8,196	29.0	5,760	20.4	28,283
1950	1,051	5.6	8,130	43.1	5,740	30.4	3,945	20.9	18,866
1951	2,227	7.6	14,915	50.8	7,325	25.0	4,886	16.6	29,353
1952	2,398	8.5	13,710	48.9	6,858	24.4	5,099	18.2	28,065
1953	2,384	8.9	11,794	43.9	7,570	28.1	5,124	19.1	26,872
1954	1,546	7.7	9,239	46.1	5,576	27.8	3,691	18.4	20,052
1955	1,332	7.4	8,495	47.2	4,881	27.1	3,283	18.3	17,991
1956	1,338	7.8	8,054	47.2	4,605	27.0	3,080	18.0	17,077
1957	1,289	9.0	6,838	47.8	3,959	27.7	2,224	15.5	14,310
1958	1,323	10.7	6,105	49.3	3,369	27.2	1,482	12.8	12,379
1959	1,497	9.5	7,435	47.0	4,346	27.4	2,555	16.1	15,833
1960	1,619	10.1	7,455	46.3	4,433	27.6	2,573	16.0	16,080
1961	1,446	8.7	7,785	46.9	4,639	28.0	2,718	16.4	16,588
1962	1,454	8.9	7,595	46.6	4,573	28.1	2,671	16.4	16,293
1963	1,353	9.1	6,845	46.1	4,165	28.1	2,480	16.7	14,843
1964	1,338	9.0	6,839	46.1	4,182	28.2	2,477	16.7	14,836
1965	1,274	9.0	6,435	45.5	4,094	28.9	2,349	16.6	14,152
1966	1,031	10.0	4,712	45.5	2,989	28.9	1,617	15.6	10,349
1967	977	10.3	4,385	46.4	2,720	28.8	1,366	14.5	9,448
1968	1,158	10.6	4,871	44.7	3,343	30.6	1,540	14.1	10,912
1969 [5]	1,186	10.0	5,675	47.7	3,508	29.5	1,529	12.8	11,898
1970 [6]	1,162	9.5	5,895	48.2	3,633	29.7	1,534	12.6	12,224

[1] California, Arizona, New Mexico, and Nevada.
[2] Texas, Oklahoma, and Kansas.
[3] Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.
[4] Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.
[5] Crop Reporting Board report of May 8, 1970.
[6] March 1970 intentions.

TITLE VII—EXTENSION OF TITLES I AND VII OF PUBLIC LAW 480

This Title amends section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Congress), to extend Titles I and II of the Act three years to December 31, 1973.

Section 701 provides for the extension of Titles I and II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480) for three calendar years ending December 31, 1973.

The committee recommends a simple extension of P.L. 480 without amendment. This would be the eighth extension of P.L. 480 since its enactment in 1954. Since that time, commodity exports under concessional sales and donations have totalled more than $17 billion at world market prices.

In moving our agricultural abundance abroad, P.L. 480 has served many purposes. It has promoted agricultural trade with friendly underdeveloped nations and has facilitated the development of these nations while achieving greater commercial trading partner status with them. It has furthered the foreign policy of the United States in the process of providing a large volume of food to hungry people throughout the world.

Public Law 480 has served as a highly constructive means of using a part of U.S. crop production capacity which is excess to domestic

and commercial export requirements. Through a relatively small additional cost over the price support investment in commodities, food and fiber can be made available to emerging countries badly in need of agricultural commodities and economic development. While considerable progress by some countries has been made in agricultural development, their import requirements remain larger than had been anticipated.

Title I of Public Law 480 provides for foreign currency and dollar credit sales with an authorization of $1.9 billion annually plus unused amounts from previous authorizations. Through December 31, 1969, agreements were signed under Title I totalling $19,509 million estimated Commodity Credit Corporation cost, including ocean transportation, with an estimated market value of the agricultural commodities amounting to $14,733 million.

Originally, Title I provided only for sales for foreign currency. In 1954 when P.L. 480 was enacted, there were massive food needs around the world as many countries did not have the foreign exchange to import these needs on a commercial basis. The currencies generated by these sales have been and are being used in a number of ways. The U. S. has used foreign currencies to pay embassy operating costs, other overseas expenses and to finance overseas programs, thus conserving dollars and strengthening the U.S. balance of payments position. About two billion dollars in currencies have been disbursed in this manner. Foreign currencies have been used to finance agricultural market development to maintain and expand commercial dollar exports for U.S. farm products. A large part of the foreign currencies generated have been made available to underdeveloped countries to promote their economic development.

Authority to enter into dollar credit commodity agreements was enacted in 1959 and the authority for the Secretary of Agriculture to make private trade entity agreements was enacted in 1962. In 1966 all sales programs were consolidated into Title I and provision was made for a progressive transition out of local currency agreements to dollar agreements by December 31, 1971. This transition is progressing and is expected to be completed on schedule with the possible exception of agreements with South Vietnam or other cases where there may be continuing large need for currencies for United States expenditures along with defense grant support.

With the phasing out of foreign currency agreements, the U.S. is finding it necessary to purchase foreign currencies in many P.L. 480 countries to pay expenses and finance necessary programs in those countries. To help the balance of payments, Title I provides for obtaining foreign currency payments under dollar credit agreements to reduce the immediate dollar costs of purchasing such currencies. These "currency use payments" are obtained in most countries where U.S. needs for currency exceed availabilities. Although the payments may be obtained for uses such as loans to private business firms and for voluntary activities related to population growth problems, U.S. needs have been so large that arrangements have been negotiated only to provide currencies for U.S. reimbursable uses.

In 1966 P.L. 480 was amended to take into account the long neglect of agricultural development in the developing countries and the need

for greater research on tropical agriculture. It specifies that self-help measures are to be considered before entering into agreements and also specifies the minimum level of the foreign currencies (derived from the sale of these U.S. commodities) that are to be allocated for the self-help measures.

These provisions have stimulated a greater interest in agricultural development and a better recognition of the role of agriculture in general economic growth in the developing countries.

Since 1966 significant gains have been made in food production in many developing countries. Others have made little progress. In total, however, continued emphasis on agriculture is required. Improved technology for tropical agriculture remains important and should continue to be emphasized in these programs.

The committee wishes to again reiterate its long standing support for programs to develop overseas markets under this Act. Realizing that other purposes of P.L. 480 are important too, the committee points out that the concept of market development provides the central core of support for and continuation of this program which in many other ways is a form of foreign assistance. Thus in the future assignment of priorities over the funding of P.L. 480 activities, the committee recommends that market development be given a very high, if not the highest, rating.

Title II of P.L. 480 authorizes the donation of food for emergency relief or other extraordinary requirements abroad with emphasis on combating malnutrition especially in children and with increasing emphasis towards community and other self-help activities. Commodities are made available on a people-to-people basis through friendly governments, U.S. voluntary agencies and international organizations such as the World Food Program and other multilateral organizations. P.L. 480 provides commodities such as nonfat dry milk, vegetable oil, wheat, flour, bulgur, corn, cornmeal, and blended foods and pays the cost of ocean transportation for these commodities. Title II of Public Law 480 authorizes the donation of $600 million worth of agricultural commodities annually plus unused amounts from previous authorizations. Through December 31, 1969, Title II programs of $3,659 million have been undertaken.

The 1966 amendment to P.L. 480 required that other advanced nations be encouraged to make increased contributions for the purpose of combating world hunger and malnutrition and the committee urges the Department to continue these efforts. The committee sees little justification in the United States assuming additional financial burdens under this program.

In taking the action to extend Titles I and II of the Act, the committee carefully considered a proposal of the Department to relax restrictions on sales under the Act to Communist countries. The committee rejected this proposal however as undesirable at this time and recommends the "friendly nation" provisions of the Act remain intact. The committee also requests to be notified by the Department of any proposals to change this provision.

VALUE OF U.S. FARM PRODUCTS SHIPPED UNDER PUBLIC LAW 480 COMPARED WITH TOTAL EXPORTS OF U.S. FARM PRODUCTS, JULY 1, 1954, THROUGH DEC. 31, 1969 [1]

[In millions of dollars]

Calendar year	Public Law 480						Total agricultural exports				
	Sales for foreign currency	Long-term dollar and convertible foreign currency credit sales	Government-to-government donations for disaster relief and economic development	Donations through voluntary relief agencies	Barter [2]	Total Public Law 480	Mutual security (AID) [3]	Total Government programs	Commercial sales [4]	Total agricultural exports	Public Law 480 as percent of total
1954 (July–December)			28	20	22	70	211	281	1,304	1,585	4
1955	263		56	186	262	767	351	1,118	2,081	3,199	24
1956	638		65	187	372	1,262	449	1,711	2,459	4,170	30
1957	760		39	175	244	1,218	318	1,536	2,970	4,506	27
1958	752		43	159	65	1,019	214	1,233	2,622	3,855	26
1959	732		32	111	175	1,050	158	1,208	2,747	3,955	27
1960	1,014		49	124	117	1,304	157	1,461	3,371	4,832	27
1961	878	1	93	151	181	1,304	179	1,483	3,541	5,024	26
1962	1,006	42	81	178	137	1,444	35	1,479	3,555	5,034	29
1963	1,161	52	99	160	37	1,509	11	1,520	4,064	5,584	27
1964	1,233	97	62	186	43	1,621	23	1,644	4,704	6,348	26
1965	899	152	73	180	19	1,323	26	1,349	4,880	6,229	21
1966	815	239	79	132	41	1,306	47	1,353	5,528	6,881	19
1967	736	193	108	179	13	1,229	33	1,262	5,118	6,380	19
1968	540	384	101	150	3	1,178	11	1,189	5,039	6,228	19
1969	335	427	103	153		1,018	(5)	1,018	4,918	5,936	17
Total, July 1, 1954 through Dec. 31, 1969	11,762	1,587	1,111	2,431	1,731	18,622	2,223	20,845	58,901	79,746	23

[1] Export market value.

[2] Annual exports have been adjusted for 1963 and subsequent years by deducting exports under barter contracts which improve the balance of payments and rely primarily on authority other than Public Law 480. These exports are included in the column headed "Commercial sales."

[3] Sales for foreign currency, economic aid, and expenditures under development loans.

[4] Commercial sales for dollars include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of short- and medium-term creidt, export payments, sales of Government-owned commodities at less than domestic market prices, and, for 1963 and subsequent years, exports under barter contracts which benefit the balance of payment and rely primarily on authority other than Public Law 480.

[5] Not available.

GROSS COST OF FINANCING PROGRAMS CARRIED OUT UNDER THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, PUBLIC LAW 480, 83d CONG., AS AMENDED, JULY 1, 1954, THROUGH DEC 31, 1969

[In millions of dollars]

Fiscal year ending June 30	Title I		Title II, donations abroad		Title III, Bartered materials for supplemental stockpile	Total
	Sales for foreign currency	Long-term dollar and convertible foreign currency credit sales	Famine and other emergency relief	Voluntary agency programs		
1955	129.5	----------	86.9	214.5	----------	430.9
1956	624.2	----------	93.6	271.2	----------	989.0
1957	1,396.4	----------	124.9	234.1	217.3	1,972.7
1958	1,144.7	----------	121.4	254.3	83.9	1,604.3
1959	1,113.3	----------	97.9	178.7	314.7	1,704.6
1960	1,308.0	----------	95.5	130.8	192.4	1,726.7
1961	1,557.3	----------	198.6	169.3	200.5	2,125.7
1962	1,606.1	29.0	241.9	191.7	193.3	2,262.0
1963	1,739.4	80.3	215.6	238.8	99.7	2,373.8
1964	1,636.2	65.1	228.2	341.6	37.7	2,308.8
1965	1,505.8	211.0	147.2	174.6	40.6	2,079.2
1966	1,287.8	274.6	222.5	148.3	25.8	1,959.0
1967	1,067.8	221.7	335.9	34.2	32.5	1,692.1
1968	784.8	350.0	344.6	----------	25.9	1,505.3
1969	373.0	495.4	363.0	----------	1.7	1,233.1
1970 (through Dec. 31, 1969)	125.5	215.6	124.7	----------	----------	465.8
Total	[1] 17,399.8	[2] 1,942.7	[3] 3,042.4	[4] 2,582.1	[5] 1,466.0	26,433.0

[1] Represents the gross cost to CCC of financing sales of U.S. agricultural commodities for foreign currency. Includes commodity and other costs, ocean transportation costs, and interest costs.

[2] Represents the gross cost to CCC of financing long-term dollar credit sales for U.S. agricultural commodities. Includes commodity and other costs, ocean transportation costs, and interest costs. The export value of commodities financed and ocean transportation costs (except ocean freight differential) are repayable by the importing country or private trade entity.

[3] Represents CCC's investment value in commodities made available for donation abroad under title II of Public Law 480, ocean transportation costs for such donations and for commodities donated through voluntary relief agencies, interest costs, and purchase of foreign currency for use in self-help activities. Also includes gross cost of foreign donations through nonprofit voluntary agencies beginning Jan. 1, 1967.

[4] Represents CCC's acquisition cost value, plus the cost of any processing and packaging performed after acquisition, for commodities donated through nonprofit voluntary agencies under authority in sec. 416, Agricultural Act of 1949. This authority was repealed by the Food for Peace Act of 1966, Public Law 89-808, and such donations consolidated into new title II of such act, effective Jan. 1, 1967.

[5] Represents the value at which barter materials were transferred to the supplemental stockpile.

PUBLIC LAW 480, EXPORTS-VALUE OF COMMODITIES SHIPPED, JULY 1, 1954, THROUGH DEC 31, 1969

[In thousands of dollars]

Commodity	Sales to foreign currency	Long-term dollar and foreign currency credit sales	Government-to-government donations for disaster relief and economic development	Donations through voluntary relief agencies	Barter [1]	Total Public Law 480
Grains and products:						
Wheat	6,190,440	738,229	428,306	65,295	607,767	8,030,037
Wheat flour	417,108	82,628	193,115	504,660	25,196	1,222,707
Bulgur wheat	435	14,508	34,482	99,098		148,523
Rolled wheat			4,681	22,172		26,853
Corn	339,402	83,301	88,337	14,069	313,503	838,612
Barley	166,703	2,531	17,875		91,534	278,643
Grain sorghums	287,886	51,573	24,650	3,595	138,825	506,529
Oats	5,315				25,284	30,599
Rolled oats			7,531	6,021		13,552
Rye	5,878				15,530	21,408
Mixed feed grains		212				212
Rye flour			183			183
Cornmeal	99		20,968	162,059		183,126
Rice	911,791	220,565	29,873	55,854	15,155	1,233,238
Fats and oils:						
Lard	29,067	294				29,361
Tallow	138,694	23,910				162,604
Soybean oil	811,505	85,821	52,282	150,659		1,100,267
Cottonseed	229,352	223	17,617	45,706	3,966	296,864
Linseed oil	1,112				910	2,022
Vegetable oil, other			1,493	42,539		44,032
Oilseeds and meal:						
Peanuts					898	898
Soybeans		8,661			12,974	21,635
Flaxseed					2,723	2,723
Soya flour			5	1		6
Oilseed meal		2,056			50	2,106
Dairy products:						
Milk (evaporated and condensed)	113,154	883				114,037
Milk (nonfat dry)	28,653	732	117,184	742,798	9,084	898,451
Milk (whole, dry)	10,779	27				10,806
Milk (dry, modified)	40					40
Cheese	5,718		19,610	166,100	2,812	194,231
Butter	13,575		16,278	113,969	8,234	152,056
Butter oil, anhydrous milk fat, and ghee	8,668	1,585	5,556	148,907		164,716
Other dairy products	130					130
Meat and poultry:						
Beef	38,730					38,730
Pork	9,953					9,953
Poultry	10,219	58				10,277
Dried eggs	5					5
Fruits and vegetables:						
Dried fruit	6,920					6,920
Fresh, canned fruits and juices	9,694			20,120		9,694
Dry edible beans	5,617	2,136	7,039		2,526	37,438
Potatoes	1,392	430				1,822
Dry edible peas	776					776
Lentils	209					209
Other:						
Blended foods			13,306	66,733		80,039
Cotton (including linters)	1,577,987	193,158	15,267		320,972	2,107,384
Cotton products (fabric, yarn)	7,965	29,974				37,939
Wool		42,130	170		7,029	7,199
Tobacco	376,872				126,206	545,208
Seeds	394					394
Total, thousands of dollars	11,762,237	1,585,625	1,115,799	2,430,355	17,311,178	18,635,194

[1] Excludes exports after Dec. 31, 1962, made under barter contracts which result in balance of payments benefits and rely primarily on authority other than Public Law 480.

PUBLIC LAW 480, EXPORTS–QUANTITIES OF COMMODITIES SHIPPED, JULY 1, 1954, THROUGH DEC. 31, 1969

[In thousands of units]

Commodity	Unit	Sales for foreign currency	Long-term dollar and convertible foreign currency credit sales	Government-to-government donations for disaster relief and economic development	Donations through voluntary relief agencies	Barter [1]	Total Public Law 480
Grains and products:							
Wheat	Bushel	3,686,122	447,029	239,747	34,281	350,898	4,758,077
Wheat flour	Pound	11,676,500	2,256,900	4,985,794	11,451,157	760,900	31,131,251
Bulgur wheat	do	13,020	364,316	732,638	2,270,545		3,380,519
Rolled wheat	do			110,026	469,205		579,231
Corn	Bushel	248,629	60,576	60,713	9,479	239,422	618,819
Barley	do	153,262	2,241	15,926		93,007	264,436
Grain sorghums	do	236,020	43,387	18,607	2,607	126,102	426,723
Oats	do	6,807				41,961	48,768
Rolled oats	Pound			110,287	95,694		205,981
Rye	Bushel	4,737				14,265	19,002
Mixed feed grains	Pound		3,943				3,943
Rye flour	do			1,100			1,100
Cornmeal	do	2,600		564,655	4,082,202		4,649,457
Rice	Hundredweight	144,816	29,625	4,774	7,712	4,444	191,371
Fats and oils:							
Lard	Pounds	207,278	2,526				209,804
Tallow	do	1,826,213	312,680				2,138,893
Soybean oil	do	6,630,222	842,042	346,687	928,332		8,747,283
Cottonseed oil	do	1,595,955	1,490	87,921	267,516	34,731	1,987,613
Linseed oil	do	7,491				8,083	15,574
Vegetable oil, other	do			7,485	235,711		243,196
Oilseeds and meal:							
Peanuts	do					9,169	9,169
Soybeans	Bushels		3,316			5,932	9,248
Flaxseed	do					897	897
Soya flour	Pounds			56	14		70
Oilseed meal	do		54,776			2,403	57,179
Dairy products:							
Milk (evaporated and condensed)	do	507,643	4,700				512,343
Milk (nonfat dry)	do	308,863	9,543	771,753	6,179,956	129,340	7,399,455
Milk (whole dry)	do	20,856	48				20,904
Milk (dry modified)	do	55					55
Cheese	do	20,679		66,688	616,653	9,836	713,856
Butter	do	34,073		36,620	302,309	23,183	396,185
Butter oil, anhydrous milk fat, and ghee	do	16,951	3,862	10,419	331,050		362,282
Other dairy products	do	2,001					2,001

Meat and poultry:							
Beef	do	118,638					118,638
Pork	do	19,991					19,991
Poultry	do	35,435	198				35,633
Dried eggs	do	4					4
Fruits and vegetables:							
Dried fruit	do	44,896					44,896
Fresh canned fruits and juices	do	100,885					100,885
Dry edible beans	Hundredweight	710	292	1,016	2,975	566	5,559
Potatoes	Pound	50,822	17,535				68,357
Dry edible peas	Hundredweight	149					149
Lentils	do	24					24
Other:							
Blended foods	Pound			173,190	834,874		1,008,064
Cotton (including linters)	Bale	11,668	1,566	99		2,526	15,859
Cotton products (fabric, yarn)	Pound	9,773	33,958	179			43,910
Wool	do					11,976	11,976
Tobacco	do	514,177	47,681			196,658	758,516
Seeds	Hundredweight	10					10
Total, thousand metric tons		136,114	18,439	12,802	14,455	23,332	205,142

[1] Excludes exports after Dec. 31, 1962, made under barter contracts which result in balance-of-payments benefits and rely primarily on authority other than Public Law 480.

TITLE VIII—GENERAL AND MISCELLANEOUS

This Title contains four sections dealing with land retirement, marketing quota exemption for boiled peanuts, voluntary relinquishment of allotments or bases and beekeeper indemnities.

Long-Term Land Retirement

Section 801 would amend section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, which authorizes the Secretary of Agriculture to enter into long-term land retirement agreements with producers for periods not to exceed 10 years. This section contains 10 amendments to section 16(e) of the Soil Conservation and Domestic Allotment Act.

Agreements could be entered into during the calendar years 1971, 1972, and 1973. Under the amendments, the Secretary of Agriculture would be authorized to enter into agreements for the additional purpose of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms.

The limitation that agreements for the establishment of tree cover may not provide for annual payments for a period in excess of five years would be deleted.

Additional practices or uses would be authorized under which the acreage retired from crop production could be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary of Agriculture in consultation with the Secretary of the Interior. The Secretary of Agriculture would be authorized to compensate producers for carrying out such practices.

Additional payments would be authorized in an amount determined by the Secretary of Agriculture to be appropriate in relation to the benefit to the general public if the producer agreed to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking under applicable State and Federal regulations.

The Secretary of Agriculture and the Secretary of the Interior would be authorized to appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they can consult on the wildlife phases of the program. The Secretary of Agriculture would be authorized to compensate members of the Board and reimburse them for per diem and traveling expenses.

The several States would be invited to participate in the program and assist the Department of Agriculture in (1) providing technical assistance for wildlife and habitat improvement practices, (2) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (3) determining accessibility, (4) evaluating effects on surrounding areas, (5) considering esthetic values, (6) checking compliance by cooperators, and (7) carrying out programs of wildlife stocking and mangement on the acreage set aside.

The Secretary of Agriculture and the Secretary of the Interior would jointly issue regulations governing the administration of the wildlife aspects of the program.

Funds would be authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies in carrying out their responsibilities as they pertain to the wildlife aspects of the program.

The two-year change of ownership provision in the statute would be amended to provide that no change of ownership shall prevent a producer from placing a farm in a program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain.

The Secretary of Agriculture would be authorized to terminate any agreement by mutual agreement with the producer if the Secretary determines that termination would be in the public interest. The Secretary would be authorized to use an advertising and bid procedure to determine the lands in any area to be covered by agreements if he determines that such action would contribute to the effective and equitable administration of the program.

The Secretary of Agriculture would be authorized, for the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, to transfer funds available for carrying out the program to any other Federal agency or to State or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers. The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The term "rural areas" would not include any city or town which has a population in excess of 5,500 inhabitants. No appropriation for any agreement entered into under this authority involving an estimated total Federal payment in excess of $250,000 would be made unless such agreement was approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate.

In carrying out the program, the Secretary would not during any of the fiscal years ending June 30, 1971, through June 30, 1973, enter into agreements with producers which would require payments to producers in any calender year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or enter into agreements with States or local agencies to enable them to acquire cropland which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the fore-

going limitations, the annual payment would be chargeable to the year in which performance is rendered regardless of the year in which it is made.

Farmers of this country continue to have the capacity to produce far more than can be utilized at home and abroad. This situation is expected to continue for at least the next decade. There is an urgent need to conserve and improve the natural resources of our farmland—Soil, water and woodland—and to provide more opportunities for recreation, improve wildlife habitat, and help abate pollution. There are also many farmers throughout the country who need to retire from farming but are unable to do so without assistance. These are farmers who for reasons such as advanced age, poor health, or physical handicaps, need to continue to live on the farm but must reduce or discontinue intensive crop production operations. This transition usually requires a period of several years during which reduced income and additional outlays for a changed operation are problems which many of them cannot overcome without assistance.

The Committee considered at length various proposals to establish massive long-term land retirement programs through rentals and easements. It rejected this concept however and has limited both the Greenspan and the Cropland Conversion programs to more manageable and acceptable levels.

During the last 1½ decades several farm programs have been used in adjusting the production of crops which are in excess of current needs. The first table shows the extent of such adjustments.

The second table shows the acreage by States under the Cropland Adjustment Program for the years 1966 and 1967. The first column shows the total acreage in each State under the basic cropland adjustment agreements with farmers. The second column shows the part of this basic agreement acreage that also entered into the public access agreement. The third column shows other acreage—that which was under Greenspan agreements.

CROPLAND DIVERSION: ACREAGE DIVERTED UNDER SPECIFIED PROGRAMS, UNITED STATES, 1956–70

[Million acres]

Year	Program							
	Acreage reserve	Conservation reserve	Feed grains	Wheat	Cotton	Cropland conversion	Cropland adjustment	Total [1]
1956	12.2	1.4						13.6
1957	21.4	6.4						27.8
1958	17.2	9.9						27.1
1959		22.5						22.5
1960		28.7						28.7
1961		28.5	25.2					53.7
1962		25.8	28.2	10.7				64.7
1963		24.3	24.5	7.2		0.1		56.1
1964		17.4	32.4	5.1	[2]0.5	.1		55.5
1965		14.0	34.8	7.2	[2]1.0	.4		57.4
1966		13.3	34.7	8.3	4.6	.4	2.0	63.3
1967		11.0	20.3		4.9	.6	4.0	40.8
1968		9.2	32.4		3.3	.5	3.9	49.3
1969		3.3	39.1	11.1		.5	3.9	57.9
1970 [3]		.1	39.2	16.2		(4)	3.9	59.4

[1] Total diverted including acreage devoted to substitute crops.
[2] Not required to be put to conserving uses.
[3] Preliminary. Intended diversion from enrolled acreage used for feed grain and wheat programs.
[4] Less than 50,000 acres.

CROPLAND ADJUSTMENT PROGRAM: ACREAGE UNDER AGREEMENT, BY STATES, 1966 AND 1967

State and division	Acreage under agreement			Number of agreements		
	Regular [1]	Public access [2]	Greenspan [3]	Regular [1]	Public access [2]	Greenspan [3]
Maine	7,471		191	194		3
New Hampshire	141			6		
Vermont	1,805			64		
Massachusetts	862			71		
Rhode Island	9			1		
Connecticut	2,463		11	264		1
New York	74,848	33,107	1,417	1,831	613	11
New Jersey	7,209			145		
Pennsylvania	93,406	53,137	105	2,625	1,388	1
North Atlantic	188,214	86,244	1,724	5,201	2,001	16
Ohio	130,901	48,490	89	3,714	1,031	4
Indiana	72,637	4,208	1,088	1,473	46	26
Illinois	86,403	19,112	20	1,319	251	2
Michigan	246,932	126,910	532	5,089	2,162	12
Wisconsin	212,471	103,813	1,335	4,759	1,742	19
Minnesota	299,122		355	3,674		8
Iowa	99,908	41,821	1,156	1,229	470	21
Missouri	159,466	43,909	283	2,291	505	2
North Dakota	237,767	219,616	16	1,290	1,154	1
South Dakota	183,121	148,670	124	1,270	948	2
Nebraska	177,754	111,012	125	1,648	880	2
Kansas	101,929	24,126	2	1,070	173	1
North central	2,008,411	891,687	5,045	28,826	9,362	100
Delaware	2,373			39		
Maryland	9,510	679	71	172	8	1
Virginia	30,119	1,519		2,088	29	
West Virginia	3,873		12	426		1
North Carolina	55,624	8,205		3,607	228	
South Carolina	99,454	5,277		2,507	70	
Georgia	163,425	3,726		3,053	25	
Florida	47,258	19,371	152	556	138	1
South Atlantic	411,636	38,777	235	12,448	498	3
Kentucky	69,524	7,906	362	2,529	111	4
Tennessee	71,508	5,904	99	3,914	71	4
Alabama	101,296	5,325		1,890	37	
Mississippi	32,718	5,603		957	129	
Arkansas	20,014			735		
Louisiana	7,381		144	203		7
Oklahoma	99,904	3,462		1,452	30	
Texas	550,828		50	4,719		1
South central	953,263	28,200	655	16,399	378	16
Montana	34,984	8,768		185	32	
Idaho	11,029	2,549	12	71	13	1
Wyoming	7,099	347		64	7	
Colorado	99,519	10,035		504	57	
New Mexico	264,350		48	1,155		1
Arizona	4,870			32		
Utah	8,906	50	17	58	1	1
Nevada						
Washington	9,706	259		104	2	
Oregon	7,071		4	104		1
California	22,942	793		156	3	
Western	470,476	22,801	81	2,433	115	4
Total	4,032,000	1,067,709	7,740	65,307	12,354	139

[1] Basic cropland adjustment program agreements with individual farmers.

[2] Supplemental cropland adjustment program agreements with individual farmers who agree to permit free public access for fishing, hunting, hiking, and trapping.

[3] Agreements with State and local government agencies to help them purchase cropland and establish practices and uses for the development of wildlife or recreational facilities, the preservation of open spaces and natural beauty, and the prevention of air and water pollution.

Source: Agricultural Statistics, 1968, U.S. Department of Agriculture, Agricultural Stabilization and Conservation Service.

Boiled Peanut Exemption

Section 802 continues the marketing quota exemption for boiled peanuts for three years.

Surrender of Allotments

Section 803 authorizes the Secretary to reduce or cancel any allotment or base when the owner of the farm requests such action. No cancellation or surrender can be made without the consent of the land owner under this provision.

Indemnification of Beekeepers

Section 804 provides for indemnification payments to beekeepers who through no fault of their own suffered losses of honey bees after January 1, 1967, stemming from the use of economic poisons which had been registered and approved by the Federal Government. The amount of the indemnity is limited to the net loss sustained by the beekeeper.

It will be the responsibility of the beekeeper to establish that he took all reasonable precautions to protect his bees. It is not contemplated that payment will be made in any instance when the beekeeper had advance notice of the intended application of the pesticide and reasonable time to remove his colonies from the environs. The beekeeper must establish conclusively that he did not have adequate warning. He must further establish that after exposure of the bees to the pesticide, he took all available steps to ameliorate the condition of the colonies and to reduce the extent of bee fatalities.

It will also be the responsibility of the beekeeper to document the extent of his net financial losses resulting from the deaths of his honey bees directly from the effects of the pesticide excluding an allowance for natural deaths which occur each year.

GENERAL PROVISIONS

In addition to the provisions discussed herein, the committee wishes to clarify its intent in regard to several other matters involved with this legislation.

Compliance on State-Owned Lands

In the administration of the wheat, feed grain and cotton programs authorized under the Food and Agriculture Act of 1965, the Department of Agriculture has followed a policy of including an offsetting compliance provision as a condition of eligibility for individual producer benefits under such programs. This provision requires that a person having an interest in the crop of more than one farm must comply with the allotment or base on any non-participating farm to avoid loss of payments and price support benefits on participating farms.

The committee feels that under voluntary adjustment programs, an off-setting compliance provision is necessary to avoid making substantial payments to a farmer who participates in the program on one farm but who, in effect, off-sets his reduction in production on the

participating farm by overplanting his allotment or base on another farm in which he has an interest in the crop.

Because of the vast number of producers in this Nation who have an interest in more than one farm, faliure to implement an off-setting compliance provision could very well endanger the success of any voluntary adjustment program.

However, it has come to the committee's attention that strict implementation of the off-setting compliance provision has resulted in undue hardship in the case of State-owned land from which the State's share of the crop proceeds and program payments are utilized solely for public education. There are a number of States in which ownership of numerous tracts of land has been assigned to State governments with the stipulation that the landlord's share of the crop proceeds be utilized for the support of public education.

Because the individual tracts are scattered throughout the State and are relatively small in size, they are leased to many different farmers who operate such tracts in conjunction with their regularly owned or operated farm.

Although States having ownership of such tracts have made efforts to comply with the off-setting compliance provisions through their leasing operations, the off-setting compliance requirement has resulted in undue hardship to such States. Because of the numerous tracts of land involved and the random location of such tracts, it is not always possible to secure lessees who because of economic or other reasons are willing to comply with voluntary production adjustment program provisions on all of such tracts.

Therefore, the Committee would deem it appropriate for the Department of Agriculture through administrative regulations to provide for an exception to total off-setting compliance requirements in cases where the land is publicly owned and the landlord's share or crop proceeds and program payments are utilized for public education, provided that the lessor has made a good faith effort to comply with the off-setting compliance requirement through leasing operations and has requested a waiver of such requirements with respect to certain farms which supporting evidence indicates the lessor was unable to obtain tenants willing to comply with program requirements.

Effect of Non-Compliance

Since one of the main objectives of this legislation is to give farmers greater latitude in making choices as to how to operate their farms, the committee wishes to express its intent that nothing in this Act should be construed to penalize, either under an on-going program or under a future program, farmers who choose not to participate in the set-aside program.

Particularly in the area of history preservation, the committee wants to make it clear that any farmer who plants the required acreage of wheat, feed grain or cotton will not lose his history regardless of whether he participates in the set-aside program.

The committee also feels that producers who are unable to plant the required acreage on their farms because of a payment limitation being imposed upon them should be treated as being subject to "a condition beyond the control of the producer" as that term is used throughout

this bill and therefore should not be denied history credit for future allotments.

Rejection of Production Base Concept

At one point in the consideration of this legislation the Department proposed and the comittee discussed in considerable detail the application of a "production base" concept to replace the "conserving base" system now used on the cotton, wheat, and feed grain programs. It is the clear understanding of the committee that the "production base" concept will *not* be implemented under the set-aside program, and the Department has assured the committee that the present "conserving base" system will be continued in the same manner as in the past.

Changes in Existing Law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

Soil Conservation and Domestic Allotment Act

* * * * * * *

Land Use Adjustment Program

Sec. 16. (e) (1) (*A*) For the purpose of promoting the conservation and economic use of land, *and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms*, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, *during the calendar years 1971, 1972, and 1973*, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out primarily on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require anual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary [*Provided*, That agreements for the establishment of tree cover may not provide for anual payments with respect to such land for a period in excess of five years]. (*B*) *Such acreage may be devoted to approved wildlife food plots or fish*

and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secretary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review applications of farmers for the public land use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance.

(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided*, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection. *The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain.*

(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection. *Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.*

(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection. *The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising and bid procedure in determining the lands in any area to be covered by agreements.*

(6) *For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. The term "rural areas", for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate.*

(7) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this subsection including payment of costs of administration for the program authorized under this subsection: *Provided*, That after June 30, 1963, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. [The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 for any calendar year, except that the Secretary may enter into agreements hereunder with respect to lands previously covered by conservation reserve contracts which would require payments, the furnishing of materials and services, and other assistance, in an additional amount for the calendar year 1963 not exceeding $15,000,000.] *In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971 through June 30, 1973, or during the period June 30, 1973 to Decem-*

ber 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such state or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made.

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AGRICULTURAL MARKETING AGREEMENT ACT OF 1937, AS AMENDED [1]

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ORDERS

SEC. 8c. * * *

TERMS—MILK AND ITS PRODUCTS

(5) In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)) no others:

(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers.

(B) Providing:

(i) for the payment to all producers and associations of producers delivering milk to the same handler of uniform prices for all milk delivered by them: *Provided*, That, except in the case of orders covering milk products only, such provision is approved or favored by at least three-fourths of the producers who, during a representative period determined by the Secretary of Agriculture, have been engaged in the production for market of milk covered in such order or by producers who, during such representative period, have produced at least three-fourths of the volume of such milk

[1] All the amendments proposed to be made to this Act by H.R. 18546 would be in effect only through December 31, 1973.

produced for market during such period; the approval required hereunder shall be separate and apart from any other approval or disapproval provided for by this section; or

(ii) for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered;

subject, in either case, only to adjustments for (a) volume, market, and production differentials customarily applied by the handlers subject to such order, (b) the grade or quality of the milk delivered, (c) the locations at which delivery of such milk is made, and [(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forefited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers. In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer under this clause (d) to compensate for any marketings of milk to such other persons for such period of periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.]

(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the

production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

(i) for the alleviation of hardship and inequity among producers; and

(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

(iii) dairy farmers not delivery milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later, pursuant to the provisions of section 8c(5)(D) of this Act, be provided with respect to milk delivered under the

order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f): Provided, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Nothwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

(C) In order to accomplish the purposes set forth in paragraphs (A) and (B) of this subsection (5), providing a method for making adjustments in payments, as among handlers (including producers who are also handlers), to the end that the total sums paid by each handler shall equal the value of the milk purchased by him at the prices fixed in accordance with paragraph (A) hereof.

(D) Providing that, in the case of all milk purchased by handlers from any producer who did not regularly sell milk during a period of 30 days next preceding the effective date of such order for consumption in the area covered thereby, payments to such producer, for the period beginning with the first regular delivery by such producer and continuing until the end of the two full calendar months following the first day of the next succeeding calendar month, shall be made at the price for the lowest use classification specified in such order, subject to the adjustments specified in paragraph (B) of this subsection (5).

Providing (i) except as to producers for whom such services are being rendered by a cooperative marketing association, qualified as provided in paragraph (F) of this subsection (5), for market information to producers and for the vertification of weights, sampling, and testing of milk purchased from producers,

and for making appropriate deductions therefor from payments to producers, and (ii) for assurance of, and security for, the payment by handlers for milk purchased.

(F) Nothing contained in this subsection (5) is intended or shall be construed to prevent a cooperative marketing association qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," engaged in making collective sales or marketing of milk or its products for the producers thereof, from blending the net proceeds of all its sales in all markets in all use classifications, and making distribution thereof to its producers in accordance with the contract between the association and its producers: *Provided*, That it shall not sell milk or its products to any handler for use or consumption in any market at prices less than the prices fixed pursuant to paragraph (A) of this subsection (5) for such milk.

(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing.

(*b*) *The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.*

(*c*) *Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.*

(*d*) *It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5) (G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5) (G) is fully reaffirmed.*

Agricultural Adjustment Act of 1938

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(Note.—Sections 331 through 339 below are made inapplicable only with respect to the 1971, 1972, and 1973 crops of wheat.)

[Legislative findings

[Sec. 331. Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

[Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive increases in the prices of wheat and its products in interstate and foreign commerce.

[It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is edequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

[The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

[Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

[The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects

caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

[The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce.

[PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS

[SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

[(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carry-

over for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

[(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

[(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through 1970, and farm marketing quotas shall not be in effect for such crops of wheat.

[NATIONAL ACREAGE ALLOTMENT

[SEC. 333. The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed.

[APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

[SEC. 334. (a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including all amounts allotted to the State and including for 1967 the increased acreage in the State allotted for 1966 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used (1) to make allotments to counties in

addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat, or (2) to increase the allotment for any county, in which wheat is the principal grain crop produced, on the basis of its relative need for such increase if the average ratio of wheat acreage allotment to cropland on old wheat farms in such county is less by at least 20 per centum than such average ratio on old wheat farms in an adjoining county or counties in which wheat is the principal grain crop produced or if there is a definable contiguous area consisting of at least 10 per centum of the cropland acreage in such county in which the average ratio of wheat acreage allotment to cropland on old wheat farms is less by at least 20 per centum than such average ratio on the remaining old wheat farms in such county, provided that such low ratio of wheat acreage allotment to cropland is due to the shift prior to 1951 from wheat to one or more alternative income-producing crops which, because of plant disease or sustained loss of markets, may no longer be produced at a fair profit and there is no other alternative income-producing crop suitable for production in the area or county. The increase in the county allotment under clause (2) of the preceding sentence shall be used to increase allotments for old wheat farms in the affected area to make such allotments comparable with those on similar farms in the adjoining areas or counties but the average ratio of increased allotments to cropland on such farms shall not exceed the average ratio of wheat acreage allotment to cropland on old wheat farms in the adjoining areas or counties. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year.

[(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1967 the increased acreage in the county allotted for 1966 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors.

[(c)(1) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 or 1965 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 or 1965 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 or 1965 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 or 1965 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year except 1965 shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

[(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable.

[(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1967 and any subsequent

year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.

[(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1967 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: *Provided*, That (i) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a voluntary certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (ii) for purposes of clause (i), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum and (iii) for purposes of clause (i) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers.

[(d) (Repealed).

[(e) (Applicable only with respect to the 1962 and 1963 crops of wheat).

[(f) (Applicable only with respect to the 1955, 1956 and 1957 crops of wheat).

[(g) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter except 1965 in excess of acreage allotments shall be considered in establishing future State and county acreage allotments. The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm

eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered ineligible for an allotment as a new farm under the second sentence of such subsection.

[(h) (Omitted.)

[(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any type of wheat are inadequate to provide for the production of a sufficient quantity of such type of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such type of wheat, and (2) has produced such type of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such type of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support.

[(j) (Applicable only to the 1958 through 1963 crops of wheat).

[(k) Notwithstanding any other provision of this Act, if the Secretary determines that because of a natural disaster a portion of the farm wheat acreage allotments in a county cannot be timely planted or replanted, he may authorize the transfer of all or a part of the wheat acreage allotment for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of wheat and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotment transferred under this subsection shall be deemed to be planted on the farm from which it was transferred for the purposes of acreage history credits under this Act.

[COMMERCIAL AREA

[SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas

for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation.

[SMALL FARM EXEMPTION

[SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years 1959, 1960, and 1961, or such later three-year period, excluding 1963, determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the three-year period 1959–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments. This section shall not be applicable to the crops planted for harvest in 1967 and subsequent years.

[REFERENDUM

[SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than August 1 of the calendar year in which such national marketing quota is proclaimed, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The secretary shall proclaim the results of any referendum held hereunder within

thirty days after the date of such referendum and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period. Notwithstanding any other provision hereof the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1966, may be conducted not later than thirty days after adjournment sine die of the first session of the Eighty-ninth Congress.

[ADJUSTMENT AND SUSPENSION OF QUOTA

[SEC. 337. (Repealed.)

[TRANSFER OF QUOTAS

[SEC. 338. Farm marketing quotas for wheat shall not be transferable, but, in accordance with regulations prescribed by the Secretary for such purpose, any farm marketing quota in excess of the supply of wheat for such farm for any marketing year may be allocated to other farms on which the acreage allotment has not been exceeded.

[SEC. 339.(a)(1) During any year in which market quotas for wheat are in effect the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment (less an acreage equal to the increased acreage allotted for 1966 pursuant to section 335) is reduced below fifty-five million acres by the number of acres in the national acreage allotment (less an acreage equal to the increased acreage allotted for 1966 pursuant to section 335). The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal

yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subpect to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

[(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

[(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

[(b) The Secretary is authorized to formulate and carry out a program with respect to the crops of wheat planted for harvest in the calendar years 1964 through 1970 under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate for wheat not accompanied by marketing certificates on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Any producers who complies with his 1964 farm acreage allotment for wheat and with the other requirements of the program shall be eligible to receive payments under the program for the 1964 crop of wheat. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 50 per centum of the farm acreage allotment for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses including summer fallow and idle land but excluding the acreage diverted as provided above, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines

should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

[(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

[(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

[(e) The Secretary may permit all or any part of the diverted acreage to be devoted to the production guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.

[(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

[(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

[(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1965. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.]

* * * * * * *

(NOTE.—Section 342 below is made inapplicable only with respect to the 1971, 1972, and 1973 crops of upland cotton.)

[NATIONAL MARKETING QUOTA

[SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton: *Provided*, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustments in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) ten million bales, whichever is larger. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made. * * *[1] Notwithstanding any other provision of this Act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of sixteen million acres.]

NATIONAL COTTON PRODUCTION GOAL

SEC. *342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustment in the amount of such produc-*

[1] A proviso which was effective only with respect to the 1957 and 1958 crops of cotton has been deleted.

tion goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security.

(NOTE.—Sections 343 and 344 below are made inapplicable only with respect to the 1971, 1972, and 1973 crops of upland cotton.)

[REFERENDUM

[SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That * * *[1] If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon preclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

[ACREAGE ALLOTMENTS

[SEC. 344. (a) When ever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the four years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

[(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreages regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period: *Provided*, That * * *[2]: *Provided*, That there is hereby established a national acreage reserve consisting of three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm

[1] A proviso which was effective only with respect to the 1950 crop of cotton has been deleted.

[2] A proviso which was effective only with respect to the 1957 and 1958 crops of cotton has been deleted.

allotments under subsection (f)(1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f)(1).

[(c) (Applicable only to the 1950 and 1951 crops of cotton.)

[(d) (Applicable only to the 1952 crop of cotton.)

[(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardship: *Provided further*, That * * *[1]: *Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f)(1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f)(1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages).

[(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph (3) of this subsection shall be appor-

[1] A proviso which was effective only with respect to the 1957 and 1958 crops of cotton was deleted.

tioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

[(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) ten acres; or (B) the acreage allotment established for the farm for the 1958 crop.

[(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1)(B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1)(A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1)(A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

[(3) The county committee may reserve not in excess of 15 per centum of the county allotment * * *[1] which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm acreage allotments to correct inequities and to prevent hardship: *Provided*, That not less than 20 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f)(1)(B), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

[1] Material omitted which does not change 15 per centum maximum.

[(4) (Applicable only to the 1950 crop of cotton.)

[(5) (Applicable only to the 1950 crop of cotton.)

[(6) Notwithstanding the provisions of paragraph (2) of the subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1)(B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1)(A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein. If the county acreage allotment is apportioned among the farms of the county in accordance with the provisions of this paragraph, the acreage reserved under paragraph (3) of this subsection may be used to make adjustments so as to establish allotments which are fair and reasonable to farms receiving allotments under this paragraph in relation to the factors set forth in paragraph (3).

[(1)(A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.

[(B) Notwithstanding any other provision of law—

[(i) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2), (6), or (8) to farms which did not receive 1958 crop allotments in excess of ten acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments

and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8),

[(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

[(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments.

[(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary shall, if allotments were in effect the preceding year, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes: *Provided*, That, beginning with allotments established for the 1961 crop of cotton, if the acreage actually planted (or regarded as planted under the Soil Bank Act, the Great Plains program, and the release and reapportionment provisions of subsection (m)(2) of this section) to cotton on the farm in the preceding year was less than 75 per centum of the farm allotment for such year or, in the case of a farm which qualified for price support on the crop produced in such year under section 103(b) of the Agricultural Act of 1949, as amended, 75 per centum of the farm domestic allotment established under section 350 for such year, whichever is smaller, in lieu of using such allotment as the farm base as provided in this paragraph, the base shall be the average of (1) the cotton acreage for the farm for the preceding year as determined for purposes of this proviso and (2) the allotment established for the farm pursuant to the provisions of this subsection (f) for such preceding year; and the 1958 allotment used for establishing the minimum farm allotment under paragraph (1) of this subsection (f) shall be adjusted to the average acreage so determined. The base for a farm shall not be adjusted as provided in this paragraph if the county committee determines that failure to plant at least 75 per centum of the farm allotment was due to conditions beyond the control of producers on the farm. The Secretary shall establish limitations to prevent allocations of allotment to farms not affected by the foregoing proviso, which would be excessive on the basis of the cropland, past cotton acreage, allotments for other commodities, and good soil conservation practices on such farms.

[(g) Notwithstanding the foregoing provisions of this section—

[(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

[(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

[(3) (Repealed.)

[(h) (Repealed.)

[(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments. Notwithstanding any other provision of this Act, beginning with the 1960 crop the planting of cotton on a farm in any of the immediately preceding three years that allotments were in effect but no allotment was established for such farm for any year of such three-year period shall not make the farm eligible for an allotment as an old farm under subsection (f) of this section: *Provided, however*, That by reason of such planting the farm need not be considered as ineligible for a new farm allotment under subsection (f)(3) of this section.

[(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

[(k) Notwithstanding any other provision of this section except subsection (g)(1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

[(1) [This subsection relating to war crops under Public Law 12, Seventy-ninth Congress, does not apply to the 1955 and succeeding crops of cotton.

[(m) Notwithstanding any other provision of law—

[(1) (Applicable only to 1954 crop of cotton.)

[(2) Any part of any farm cotton acreage allotment on which cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of cotton, land, labor, equipment available for the production of cotton, crop rotation practices, and soil and other physical facilities affecting the production of cotton. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (e) of this section. Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having cotton planted thereon during the three-year

base period: *Provided*, That notwithstanding any other provisions of law, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage released under this paragraph shall be credited to the State in determining future allotments. The provisions of this paragraph shall apply also to extra long staple cotton covered by section 347 of this Act.

[(3) (Applicable only to 1954 crop of cotton.)

[(n) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of a natural disaster a portion of the farm cotton acreage allotments in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of the cotton acreage allotment for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotment transferred under this paragraph shall be deemed to be released acreage for the purpose of acreage history credits under section 344(f)(8), 344(m)(2), and 377 of this Act: *Provided*, That, notwithstanding the provisions of section 344(m)(2) of this Act, the transfer of any farm allotment under this subsection for any year shall operate to make the farm from which the allotment was transferred eligible for an allotment as having cotton planted thereon during the three-year base period.]

SALE, LEASE AND TRANSFER OF UPLAND COTTON ACREAGE ALLOTMENTS

SEC. 344a. [(a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to any other owner or operator of a farm for transfer to such farm; (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That the authority granted under this section may be exercised for the calendar years 1966 through 1970, but all transfers hereunder shall be for such period of years as the parties thereto may agree.]

(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: Provided, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved

pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970 shall be approved for 1974 and subsequent crops.

(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in anohter State; [(ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within three years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity;] (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder; [(iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease;] and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section. [Such record may be filed with such committee only during the period beginning June 1 and ending December 31.] *Provided, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to Section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.*

(c) The transfer of an allotment shall have the effect of transferring also the acreage history, farm base, and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or operator to have an allotment determined for the farm for such year: *Provided*, That in the case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred.

(d) The land in the farm from which the entire cotton allotment and acreage history have been transferred shall not be eligible for

a new farm cotton allotment during the five years following the year in which such transfer is made.

[(e) The transfer of a portion of a farm allotment which was established under minimum farm allotment provisions for cotton or which operates to bring the farm within the minimum farm allotment provision for cotton shall cause the minimum farm allotment or base to be reduced to an amount equal to the allotment remaining on the farm after such transfer.]

(f) The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield per acre and such other terms and conditions as he deems necessary.

(g) If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, cropland adjustment agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

[(h) The Secretary shall by regulations authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage allotment. Any such exchange shall be made on the basis of application filed with the county committee by the owners and operators of the farms, and the transfer of allotment between the farms shall include transfer of the related acreage history for the commodity. The exchange shall be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred shall be eligible for an allotment of cotton or rice as a new farm within a period of five crop years after the date of such exchange.]

(i) The provisions of this section relating to cotton shall apply only to upland cotton.[1]

(NOTE.—Sections 345 and 346 below are made inapplicable only with respect to the 1971, 1972, and 1973 crops of upland cotton.)

[FARM MARKETING QUOTAS

[SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

[1] The amendments to section 344a are effective only with respect to the 1971, 1972, and 1973 crops.

[PENALTIES; EXPORT MARKET ACREAGE

[SEC. 346 (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

[(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

[(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

[(d) Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producers shall be subject to the penalty provided by this section and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

[(e) Notwithstanding any other provision of this Act, for the 1966 through 1970 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by applying to the county committee of the county in which the farm is located for additional acreage under this subsection, he may plant an acreage not in excess of the farm acreage allotment established under section 344 plus the acreage apportioned to the farm from the national export market acreage reserve, and all cotton of such crop produced on the farm may be marketed for export free of penalty under this section: *Provided*, That the foregoing shall be applicable only to farms which had upland cotton allotments for 1965 and are operated by the same operator as in 1965 or by his heir.

[For the 1966 crop the national export market acreage reserve shall be 250,000 acres. For each subsequent crop—

If the carryover at the end of the marketing year for the preceding crop is estimated to be less than the carryover at the beginning of such marketing year by—	*The national export market acreage reserve shall be—*
At least 1,000,000 bales	250,000 acres.
At least 750,000 bales, but not as much as 1,000,000 bales	187,500 acres.
At least 500,000 bales, but not as much as 75,000 bales	125,000 acres.
At least 250,000 bales, but not as much as 500,000 bales	62,500 acres.
Less than 250,000 bales	None.

[The national export market acreage reserve shall be apportioned to farms by the Secretary on the basis of the applications therefor. No application shall be accepted for a greater acreage than is available on the farm for the production of upland cotton. After apportionments are thus made to farms, the Secretary shall provide farm operators a reasonable time in which to cancel their applications (and

agreements to forgo price support) and surrender to the Secretary through the county committee the export market acreage assigned to the farm. Acreage so surrendered shall be available for reassignment by the Secretary to other eligible farms to which export market acreage has been apportioned on the basis of the applications remaining outstanding. The operator of any farm who elects to forgo price support for any such crop under this subsection shall not be eligible for price support on cotton of such crop produced on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county, and farm acreage allotment. The operator of any farm to which export market acreage is apportioned, or the purchasers of cotton produced on such farm, shall, under regulations issued by the Secretary, furnish a bond or other undertaking prescribed by the Secretary providing for the exportation, without benefit of any Government cotton export subsidy and within such time as the Secretary may specify, of all cotton produced on such farm for such year. The bond or other undertaking given pursuant to this subsection shall provide that, upon failure to comply with the terms and conditions thereof, the person furnishing such bond or other undertaking shall be liable for liquidated damages in an amount, which the Secretary determines and specifies in such undertaking will approximate the amount payable on excess cotton under subsection (a). The Secretary may, in lieu of the furnishing of a bond or other undertaking, provide for the payment of an amount equal to that which would be payable as liquidated damages under such bond or other undertaking. If such bond or other undertaking is not furnished, or if payment in lieu thereof is not made as provided herein, at such time and in the manner required by regulations of the Secretary, or if the acreage planted to cotton on the farm exceeds the sum of the farm acreage allotment established under section 344 and the acreage apportioned to the farm from the national export market acreage reserve, the acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall be regarded as excess acreage for purposes of this section and section 345. Amounts collected by the Secretary under this subsection shall be remitted to the Commodity Credit Corporation.]

* * * * * * *

[DOMESTIC ACREAGE ALLOTMENTS

[SEC. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966 through 1970 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allot-

ment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage: *Provided*, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced; except that in the case of the 1966 crop, such determination shall be made within 15 days after enactment of the Food and Agriculture Act of 1965.]

BASE ACREAGE ALLOTMENTS

SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later thn November 15 of the clendar year preceding the year for which the national base acreage allotment is to be effective. The national base-acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): Provided, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cottom farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 percentum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton: Provided, That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

(f) Effective for the 1971, 1972, and 1973 crops any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the

basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: Provided, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

(h) Notwithstanding any other provision of this Act if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments.

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

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MARKETING PENALTIES—PEANUTS

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SEC. 359 * * *

(c) The word "peanuts" for the purposes of this Act shall mean all peanuts produced, excluding any peanuts which it is established by the producer or otherwise, in accordance with regulations of the Secretary, were not picked or threshed either before or after marketing

from the farm, or were marketed by the producer before drying or removal of moisture from such peanuts either by natural or artificial means for consumption exclusively as boiled peanuts.[1]

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(NOTE.—Section 377 below is made inapplicable only with respect to upland cotton of the 1971, 1972, and 1973 crops.)

PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

[SEC. 377. In any case in which, during any year beginning with 1956, the acreage planted to a commodity on any farm is less than the acreage allotment for such farm, the entire acreage allotment for such farm (excluding any allotment released from the farm or reapportioned to the farm and any allotment provided for the farm pursuant to subsection (f)(7)(A) of section 344) shall, except as provided herein, be considered for the purpose of establishing future State, county and farm acreage allotments to have been planted to such commodity in such year on such farm, but the 1956 acreage allotment of any commodity shall be regarded as planted under this section only if the owner or operator on such farm notified the county committee prior to the sixtieth day preceding the beginning of the marketing year for such commodity of his desire to preserve such allotment: *Provided*, That beginning with the 1960 crop, except for federally owned land, the current farm acreage allotments established for a commodity shall not be preserved as history acreage pursuant to the provisions of this section unless for the current year or either of the two preceding years an acreage equal to 75 per centum or more of the farm acreage allotment for such year or, in the case of upland cotton on a farm which qualified for price support on the crop produced in any such year under section 103(b) of the Agricultural Act of 1949, as amended, 75 per centum of the farm domestic allotment established under section 350 for any such year, whichever is smaller was actually planted or devoted to the commodity on the farm (or was regarded as planted under provisions of the Soil Bank Act or the Great Plains program): *Provided further*, That this section shall not be applicable in any case, within the period 1956 to 1959, in which the amount of the commodity required to be stored to postpone or avoid payment of penalty has been reduced because the allotment was not fully planted. Acreage history credits for released or reapportioned acreage shall be governed by the applicable provisions of this title pertaining to the release and reapportionment of acreage allotments.]

EMINENT DOMAIN

SEC. 378. (a) Nothwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent

[1] *"Boiled peanuts" were exempted from the definition of "peanuts" for the 1966 through 1969 crops of peanuts by Pub. L. 89–321, 79 Stat. 1210, approved November 3, 1965. The final year of the period was extended from 1969 to 1970 by Pub. L. 90–559, 82 Stat. 996, approved October 11, 1968. This provision is extended and made effective for 3 years, through the 1973 crop of peanuts by Section 802 of H.R. 18546.*

domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owners so displaced. Upon application to the county committee, within three years after the date of such displacement, or three years after the enactment of this section, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition. The former owner of land acquired as described in this subsection shall not be considered for the purposes hereof to have been displaced from such land during any period for which such land is leased to such former owner: *Provided*, That the occupancy of the former owner under the lease follows immediately after his occupancy as owner: *And provided further*, That if a former owner has been displaced prior to the effective date of this amendment and no allotment from the land owned by such former owner has been transferred from the allotment pool and such former owner leases the land formerly owned by him prior to two years from the effective date of this amendment such allotment shall be retransferred from the pool to such land and the occupancy of such former owner under the lease for the purposes of this subsection shall be deemed to have begun immediately after his displacement as owner. During any year of the 3-year period the allotment from a farm may remain in the allotment pool, the displaced owner may, in accordance with regulations of the Secretary, release for one year at a time any part or all of such farm allotment to the country committee for reapportionment to other farms in the

county having allotments for such commodity on the basis of the past acreage of the commodity, land, labor, equipment available for the production of the commodity, crop rotation practices, and soil and other physical facilities affecting the production of the commodity; and the allotment reapportioned shall for purposes of establishing future farm allotments, not be regarded as planted on the farm to which the allotment was transferred.

(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 per centum of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired.

(d) The term "allotment" as used in this section includes the farm base acreage allotment for upland cotton.

(e) The term "allotment" as used in this section includes the domestic allotment for wheat.[1]

RECONSTITUTION OF FARMS

SEC. 379. In any case in which the ownership of a tract of land is transferred from a parent farm, the acreage allotments, history acreages, and base acreages for the farm shall be divided between such tract and the parent farm in the same proportion that the cropland acreage in such tract bears to the cropland acreage in the parent farm, except that the Secretary shall provide by regulation the method to be used in determining the division, if any, of the acreage allotments, histories, and bases in any case in which—

(1) the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain;

(2) the tract of land transferred from the parent farm is to be used for nonagricultural purposes;

(3) the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories, and bases of the parent farm;

[1] The amendments to section 378 are effective only with respect to the 1971, 1972, and 1973 crops.

(4) the appropriate county committee determines that a division based on cropland proportions would result in allotments and bases not representative of the operations normally carried out on any transferred tract during the base period; or

(5) the parent farm is divided among heirs in settling an estate;

(6) neither the tract transferred from the parent farm nor the remaining portion of the parent farm receives allotments in excess of allotments for similar farms in the community having allotments of the commodity or commodities involved and such allotments are consistent with good land uses, but this clause (6) shall not be applicable in the case of burley tobacco.

The term "acreage allotments" as used in this section includes the farm base acreage allotments for upland cotton. The term "acreage allotments" as used in this section includes the domestic allotment for wheat.[1]

* * * * * * *

(NOTE.—Section 379b below is superseded only with respect to the 1971, 1972, and 1973 crops of wheat.)

WHEAT MARKETING ALLOCATION

[Sec. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for food products for consumption in the United States, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.]

SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face

[1] The amendments to section 379 are effective only with respect to the 1971, 1972, and 1973 crops.

value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary ot provide an orderly transition to the program provided for under this section.

The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: PROVIDED, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended: PROVIDED, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into con-

sideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(4) If the operator of the farm desires to participate in the program formulated under thiss ubsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(f) The Secretary shall issue certificates to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates issued shall not be reduced if the face value as finally determined is less than the preliminary face value.

(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

NOTE.—Section 379c below is superseded only with respect to the 1971, 1972, and 1973 crops of wheat.)

MARKETING CERTIFICATES

[SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calender year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored under section 379c (b) or to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction, and if this limitation operates to reduce the amount of wheat marketing certificates which would otherwise be issued with respect to the farm, such reduction shall be made first from the amount of export certificates which would otherwise be issued. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom; except that in the case in which the Secretary determines that from such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable. The Secretary shall, in accordance with such regulation as he may prescribe, provide for the issuance of domestic marketing certificates for the portion of the wheat marketing allocation representing wheat used for food products for consumption in the United States. The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters. An acreage on the farm which the Secretary finds was not planted to wheat for harvest in 1965 because of drought, flood, or other natural disaster shall be deemed by the Secretary to be an actual acreage of wheat planted for harvest for purposes of this subsection, provided such acreage is not subsequently planted to any other price supported crop for 1965. An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection provided such acreage is not subsequently planted to any crop for which there are marketing quotas or voluntary adjustment programs in effect. Producers on any farm who have planted not less than 90 per centum of the acreage of wheat required to be planted

in order to earn the full amount of marketing certificates for which the farm is eligible shall be deemed to have planted the entire acreage required to be planted for that purpose.

[(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not compiled with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce. Notwithstanding any other provision of this Act, the Secretary may provide that a producer shall not be eligible to receive marketing certificates, or may adjust the amount of marketing certificates to be received by the producer, with respect to any farm for any year in which a variety of wheat is planted on the farm which has been determined by the Secretary, after consultation with State Agricultural Experiment Stations, agronomists, cereal chemists and other qualified technicians, to have undesirable milling or baking qualities and has made public announcement thereof.

[(c) The Secretary shall determine and proclaim for each marketing year the face value per bushel of wheat marketing certificates. The face value per bushel of domestic certificates shall be the amount by which the level of price support for wheat accompanied by domestic certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

[(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications or other statements or forms as the Secretary may prescribe.

[(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the issuance of marketing certificates, the Secretary may, nevertheless, issue such certificates in such amounts as he determines to be equitable in relation to the seriousness of the default.]

Sec. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being

issued to producers participating in the program in an amount of wheat equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

(2) Notwithstanding the provisions of subsection (b) (1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive payment for such portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act.

(NOTE.—The changes indicated below for section 379d(b) and section 379e apply only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973.)

MARKETING RESTRICTIONS

SEC. 379d. * * *

(b) [During any marketing year for which a wheat marketing allocation program is in effect,] During each marketing year, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such food product or removing such food product for sale or consumption, acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in such product and (ii) all persons exporting wheat shall, prior to such export, acquire export marketing certificates equivalent to the number of bushels so exported. The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the

United States. The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port. Marketing certificates shall be valid to cover only sales or removals for sale or consumption or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales, removals, or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales, removals, or exportations made on or after the date so determined by the Secretary. Whenever the face value per bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require marketing certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year.

Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat.

ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is author-

ized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it. Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through 1970 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic certificates exceeds $2 per bushel.

Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel.

* * * * * * *

FINALITY OF FARMERS' PAYMENTS AND LOANS

SEC. 385. The facts constituting the basis for any Soil Conservation Act payment, parity payment, *payment under the cotton set-aside programs, payments (including certificates) under the wheat and feed grain set-aside programs,* payment under section 339, loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations. This section also shall be applicable to payments provided for under section 348 of this title.[1]

PUBLIC LAW 74, 77TH CONGRESS

(NOTE.—Public Law 74, 77th Congress, is made inapplicable only with respect to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.)

[That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, an amended (hereinafter referred to as the Act)—

[(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the projected farm yield

[1] The amendments to section 385 are effective only with respect to the 1971, 1972, and 1973 crops.

multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

[(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

[(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon twice the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage in less than twice the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations presecribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

[(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

[(5) The penalty upon wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

[(6) Whenever the planted acreage of the then current crop of wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also to wheat.

[(7) Until the farm marketing excess of wheat is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

[(8) (Not applicable to wheat.)

[(9) (Applicable only through the 1946 crop.)

[(10) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal sections 301(b)(6), 323(b) or 335(d) of the Act.

[(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

[(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him.]

AGRICULTURAL ACT OF 1949

* * * * * * *

PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS (COTTON)

SEC. 103. (a) Notwithstanding the provisions of section 101 of this Act, price support to cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 per centum of the parity price therefor nor less than the minimum level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401(b) of this Act. For the 1961 crop the minimum level shall be 70 per centum of the parity price therefor, and for each subsequent crop the minimum level shall be 65 per centum of the parity price therefor: *Provided*, That the price support for the 1964 crop shall be a national average support price which reflects 30 cents per pound for Middling one-inch cotton. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101(d)(3) and (5).

(b) If producers have not disapproved marketing quotas, the Secretary shall provide additional price support on the 1964 and 1965 crops of upland cotton to cooperators on whose farms the acreage planted to upland cotton for harvest does not exceed the farm domestic allotment established under section 350 of the Agricultural Adjustment Act of 1938, as amended. Such additional support shall be at a level up to 15 per centum in excess of the basic level of support established under subsection (a) and shall be provided on the normal yield of the acreage planted for harvest within the farm domestic allotment. For purposes of this subsection, an acreage on the farm which the Secretary finds was not planted to cotton in 1965 because of flood, drought, or other natural disaster shall be deemed by the Secretary to be an actual acreage of cotton planted on the farm for harvest, provided such acreage is not subsequently devoted to any priced supported crop for 1965.

(c) In order to keep upland cotton to the maximum extent practicable in the normal channels of trade, any additional price support under subsection (b) of this section may be carried out through the simultaneous purchase of cotton at the support price therefor under subsection (b) and the sale of such cotton at the support price therefor under subsection (a) or similar operations, including loans under which the cotton would be redeemable by payment of the amount for which the cotton would be redeemable if the loan thereon had been made at the support price for such cotton under subsection (a), or payments-in-kind through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary. If such additional support is provided through the issuance of payment-in-kind certificates, such certificates shall have a value per pound of cotton equal to the difference between the level of support established under subsection (a) and the level of support established under subsection (b). The corporation may, under regulations prescribed by the Secretary, assist the producers and

persons receiving payment-in-kind certificates under this section and section 348 of the Agricultural Adjustment Act of 1938, as amended, in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this section and such section 348. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges as determined by the Secretary for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

(d) (1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support and diversion payments shall be made available for the 1966 through 1970 crops of upland cotton as provided in this subsection.

(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans of such level, not exceeding a level which will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the estimated average world market price for Middling one-inch upland cotton for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: *Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

(3) The Secretary also shall provide additional price support for each such crop through payments in cash or in kind to cooperators at a rate not less than 9 cents per pound: *Provided*, That the rate shall be such that the amount obtained by—

(i) multiplying the rate by the farm domestic acreage allotment percentage, and

(ii) dividing the product thus obtained by the cooperator percentage established under section 408(b), and

(iii) adding the result thus obtained to the national average loan rate

shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton as of the month in which the payment rate provided for by this paragraph is announced. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided*, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment. An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood, or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any other crop for which there are marketing quotas or voluntary adjustment programs in effect.

(4) The Secretary shall make diversion payments in cash or in kind in addition to the price support payments authorized in paragraph (3) to cooperators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to ap-

proved conservation practices to the extent prescribed by the Secretary: *Provided*, That no reduction below the domestic acreage allotments established under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be prescribed: *Provided further*, That payment under this paragraph shall be made available for diverting to conserving uses that part of the acreage allotment which must be diverted from cotton in order that the producer may qualify as a cooperator. The rate of payment for acreage required to be diverted in order to qualify as a cooperator shall not be less than 25 per centum of the parity price for upland cotton as of the month in which such rate is announced. The rate of payment for additional acreage diverted shall be such rate as the Secretary determines to be fair and reasonable, but shall not exceed 40 per centum of such parity price. Payment at each applicable rate shall be made on the quantity of cotton determined by multiplying the acreage diverted from the production of cotton at such rate by the projected farm yield. In addition to the foregoing payment, if any, payments at the rate applicable for acreage required to be diverted to qualify as a cooperator shall be made to producers on small farms as defined in section 408(b) who do not exceed their farm acreage allotments on a quantity of cotton determined by multiplying an acreage equal to 35 centum of such farm acreage allotment by the projected farm yield.

(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made at such time as the Secretary may prescribe.

(6) Where the farm operator elects to participate in the diversion program authorized in this subsection and no acreage is planted to cotton on the farm, diversion payments shall be made at the rate established under paragraph (4) for acreage required to be diverted to qualify as a cooperator on the quantity of cotton determined by multiplying that part of the farm acreage allotment required to be diverted to qualify as a cooperator by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments, and farm bases.

(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

(8) Payments under this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments (hereinafter called "diverted acreage"), and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such diverted acreage

to be devoted to the production of guar, seaame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income, subject to the condition that payment under paragraph (4) or (6) with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.

(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m) (2) thereof.

(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing diversion payments on a fair and equitable basis under this subsection. The Secretary shall provide for the sharing of price support payments among producers on the farm on the basis of their respective shares in the cotton crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable.

(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the making of payments under this section, the Secretary may, nevertheless, make such payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefore and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

(13) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall also apply to payments under this subsection.

(14) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this subsection and to pay administrative expenses necessary in carrying out this subsection.

(e) (1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.

(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested at a rate equal to 15 cents per pound and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster: Provided, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

(4) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the pro-

ducers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approval soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (e) (6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.

(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection.

(Note.—Section 105 below is superseded only with respect to the 1971, 1972, and 1973 crops of feed grains.)

PRICE SUPPORT FOR 1959 AND SUBSEQUENT YEARS (CORN AND FEED GRAINS)

[SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn: *Provided*, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.

[(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 401 (b) hereof.

[(c) (Applicable only to the 1961 through 1963 crops of feed grains.)

[(d) (Applicable only to the 1964 and 1965 crops of feed grains.)

[(e) (Applicable only to the 1966 through 1970 crops of feed grains.)]

SEC. *105. Notwithstanding any other provision of law—*

(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking in- corn and the other factors specified in section 401 (b), and on each to consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401 (b) and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

(b) (1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this section is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e) (2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: PROVIDED, That the payment rate with respect

to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended: PROVIDED, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: Provided, That except for acreage provided for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for the purposes of this section.

(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

* * * * * * *

(Note.—Section 107 below is superseded only with respect to the 1971, 1972, and 1973 crops of wheat.)

[SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

[(1) Price support for wheat accompanied by domestic certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

[(2) Price support for wheat accompanied by export certificates shall be at such level not more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

[(3) Price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

[(4) Price support shall be made available only to cooperators; and, if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area.

[(5) Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

[(6) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, if marketing quotas are not in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. No producer shall be deemed to have ex-

ceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored.]

SEC. 107. Notwithstanding any other provision of law—

(a) Loans on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

(b) If a set-aside program is in effect for any crop of wheat under section 379(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for tung nuts, honey, [milk, butterfat, and the products of milk and butterfat] *and milk* as follows:

(a) (Repealed.)

(b) The price of tung nuts and honey, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor: *Provided*, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 per centum of the parity price therefor;

(c) [The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such levels not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Notwithstanding the foregoing provisions, for the period beginning with the enactment of this sentence and ending March 31, 1961, the price of milk for manufacturing purposes and the price of butterfat shall be supported at not less than $3.22 per hunderweight and 59.6 cents per pound, respectively. Such price support shall be provided through loans on, or purchases of, milk and the products of milk and butterfat, and for the period ending March 31, 1956, surplus stocks of dairy products owned by the Commodity Credit Corporation may be disposed of by any methods determined necessary by the Secretary. For the period beginning September 1, 1954, and ending June 30, 1955, not to exceed $50,000,000, and for the fiscal year ending June 30, 1956, not to exceed $60,000,000. and for each of the two fiscal years in the period beginning July 1, 1956, and ending June 30, 1958, not to exceed $75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in (1) nonprofit schools of high-school grade and under; and in (2) nonprofit nursery schools, child-care

centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.]

The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk.[1]

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

SEC. 202. As a means of increasing the utilization of dairy products (including for purposes of this section, milk) upon the certification by the Administrator of Veterans' Affairs or by the Secretary of the Army, acting for the military departments under the Department of Defense's Service Purchase Assignment for Subsistence, or their duly authorized representatives that the usual quantities of dairy products have been purchased in the normal channels of trade—

(a) The Commodity Credit Corporation until [December 31, 1970] *December 31, 1973*, shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under his jurisdiction. This Administrator shall report every six months to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(b) The Commodity Credit Corporation until [December 31, 1970] *December 31, 1973*, shall make available to the Secretary of the Army, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Secretary of the Army or his duly authorized representative certifies can be utilized in order to provide additional butter and cheese and other dairy products as a part of the ration (1) of the Army, Navy, Air Force, or Coast Guard, (2) in hospitals under the jurisdiction of the Department of Defense, and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy. The Secretary of the Army shall report every six months to the Committees on Agriculture, of the Senate and the House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(c) Dairy products made available under this section shall be made available without charge, except that the Secretary of the Army or the Administrator of Veterans' Affairs shall pay the Commodity Credit Corporation the costs of packaging incurred in making such products so available.

(d) The obligation of the Commodity Credit Corporation to make dairy products available pursuant to the above shall be limited to dairy products acquired by the Corporation through price-support operations and not disposed of under provisions (1) and (2) of section 416 of this Act, as amended.

* * * * * * *

[1] The amendments to section 201 shall become effective for the marketing years beginning April 1, 1971, but shall not be effective after March 31, 1974.

(Note.—Section 203 below is made inapplicable only with respect to the 1971, 1972, and 1973 crops.)

[SEC. 203. Whenever the price of either cottonseed or soybeans is supported under this Act, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.]

* * * * * * *

RESTRICTIONS ON SALES BY CCC

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodites of storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided further*, That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges: [*Provided further*, That is a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat not accompanied by marketing certificates: *Provided*, That whenever the Secretary of Agriculture determines that the carryover at the end of any marketing year of a price supported agricultural commodity for which a voluntary adjustment program is in effect will be less than 25 per centum (35 per centum in the case of wheat) of the estimated export and domestic consumption of such commodity during such marketing year, the Commodity Credit Corporation shall not sell any of its stocks of such commodity during such year for unrestricted use at less than 115 per centum (120 per centum in the case of wheat whenever its carryover will be less than 25 per centum of such estimated export and domestic consumption) of the current price support loan plus reasonable carrying charges] *Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per*

centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges.

The foregoing restrictions shall not apply to (A) sales for new or by product uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States including the Virgin Islands declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855) and shall make feed owned or controlled by it available at any price not less than 75 per centum of the [current basic county support rate for such feed including the value of any applicable price support payment in kind (or a comparable price if there is no current basic county support rate)] *current basic county loan rate (or a comparable price if there is no current basic county loan rate)* for assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States including the Virgin Islands where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock: *Provided*, That the Secretary may provide for the furnishing of feed or mixed feed, in accordance with regulations prescribed by him, to such persons by feed dealers under an arrangement whereby the feed grains (or other feed being sold by the Corporation) in the feed so furnished would be replaced with feed owned or controlled by the Corporation and sold to such persons at a price determined as provided above. Except on a reimbursement basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's

operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-supporting program [, but in no event shall the purchase price exceed the then current support price for such commodities.] *or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use.* For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form. Notwithstanding the foregoing, whenever prior to December 31, 1963, the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest. [Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1971, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2)] *Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)* the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly. Notwithstanding any other provision of this section, effective August 1, 1968, the Commodity Credit Corporation shall make available during each marketing year for sale for unrestricted use at market prices at the time of sale, a quantity of American grown extra long staple cotton equal to the amount by which the production of such cotton in the calendar year in which such marketing year begins is less than the estimated requirements of American grown extra long staple cotton for domestic use and for export for such marketing year: *Provided*, That no sales shall be made at less than 115 per centum of the loan rate for extra long staple cotton under section 101(f) of this Act beginning with the marketing year for the first crop for which the national marketing quota for extra long staple cotton is not established under paragraph

(3) of section 347(b) of the Agricultural Adjustment Act of 1938, as amended. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly.[1]

DEFINITIONS

SEC. 408. * * *

COOPERATOR

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn or wheat to a producer outside the commercial corn-producing or wheat-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary: *Provided*, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton does not exceed the cooperator percentage, which shall be in the case of the 1966 crop, 87.5 per centum of such farm acreage allotment and, in the case of each of the 1967 through 1970 crops, such percentage, not less than 87.5 or more than 100 per centum, of such farm acreage allotment as the Secretary may specify for such crop, except that in the case of small farms (i.e., farms on which the acreage allotment is 10 acres or less, or on which the projected farm yield times the acreage allotment is 3,600 pounds or less, and the acreage allotment has not been reduced under section 344(m)) the acreage of cotton on the farm shall not be required to be reduced below the farm acreage allotment[.] *: And provided, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e).* For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

REFERENCES TO TERMS MADE APPLICABLE TO UPLAND COTTON

(k) References made in sections 402, 403, 406, and 416 to the terms "support price," "level of support," and "level of price support" shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms "price support," "price support operations," and "price support program" in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act.[2]

REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

(k) References made in sections 402, 403, 406, and 416 to the terms "support price," "level of support," and "level of price support" shall be considered to apply as well to the level of loans and purchases for

[1] The amendments to section 407 are effective only with respect to the marketing years for the 1971, 1972, and 1973 crops.
[2] Effective only with respect to the 1971, 1972, and 1973 crops.

wheat and feed grains under this Act; and references made to the terms "price support," "price support operations," and "price support program" in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act.[1]

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 AS AMENDED

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SEC. 409. No agreements to finance sales under title I and no programs of assistance under title II shall be entered into after [December 31, 1970] *December 31, 1973.*

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NATIONAL WOOL ACT OF 1954, AS AMENDED

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SEC. 703. (*a*) The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending December 31, [1970] *1973.* [The support price for shorn wool shall be at such incentive level as the Secretary, after consultation with producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: *Provided*, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor: *Provided further*, That the]

(*b*) *The* support price for shorn wool for the 1966 and each subsequent marketing year shall be determined by multiplying 62 cents by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended) for the three calendar years immediately preceding the calendar year in which such price support is determined and announced to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounding the resulting amount to the nearest full cent[.] *: Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.*

(*c*) The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 15 per centum

[1] Effective only with respect to the 1971, 1972, and 1973 crops.

above or below the comparable percentage of parity at which shorn wool is supported[.] *: Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.*

(*d*) Notwithstanding the foregoing, no price support shall be made available, other than through payments, at a level in excess of 90 per centum of the parity price for the commodity.

(*e*) The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

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FOOD AND AGRICULTURE ACT OF 1965 (PUBLIC LAW 89–321)

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SEC. 706. Notwithstanding any other provision of law, the Secretary, upon the request of any agency of any State charged with the administration of the public lands of the State, may permit the transfer of acreage allotments or feed grain bases together with relevant production histories which have been determined pursuant to the Agricultural Adjustment Act of 1938, as amended, or section 16 of the Soil Conservation and Domestic Allotment Act, as amended, *or the Agricultural Act of 1949, as amended*, from any farm composed of public lands to any other farm or farms in the same county composed of public lands: *Provided*, That as a condition for the transfer of any allotment or base an acreage equal to or greater than the allotment or base transferred prior to adjustment, if any, shall be devoted to and maintained in permanent vegetative cover on the farm from which the transfer is made. The Secretary shall prescribe regulations which he deems necessary for the administration of this section, which may provide for adjusting downward the size of the allotment or base transferred if the farm to which the allotment or base is transferred normally has a higher yield per acre for the commodity for which the allotment or base is determined, for reasonable limitations on the size of the resulting allotments and bases on farms to which transfers are made, taking into account the size of the allotments and bases on farms of similar size in the community, and for retransferring allotments or bases and relevant histories if the conditions of the transfer are not fufilled. *The term "acreage allotments" as used in this section includes the farm base acreage allotments for upland cotton. The term "acreage allotments" as used in this section includes the domestic allotment for wheat.*[1]

ACT OF AUGUST 13, 1968 (PUBLIC LAW 90–482; 82 STAT. 750)

DAIRY INDEMNITY PROGRAM

* * * * * * *

SEC. 3. The authority granted under this Act shall expire on June 30, [1970.] *1973.*

[1] The amendments to section 706 are effective only with respect to the 1971, 1972, and 1973 crops.

DISSENTING VIEWS OF CONGRESSMEN JOHN MELCHER AND ALLARD K. LOWENSTEIN

This bill, because of an arrangement between Department of Agriculture officials and cotton interests, gives cotton producers a far better deal to maintain their income than other American farmers.

The measure assures producers of cotton, now bringing about 18¢ per pound in the market, a return of 35¢ per pound, 1 inch middling basis, on all of their production for the next three years from a larger acreage than was allotted in 1970.

In contrast, it provides wheat and feed grain producers an assured return on half or less of their production. They will get much lower returns on the other half, or more, because loans are to be lowered so they will not interfere with the prices dropping to an unfairly competitive world market level.

The wheat and feed grain provisions are comparable to negotiating a labor union contract which covers work until noon each day and leaves wages for the afternoon half of the day entirely up to management. In the case of farm products, "management" is the whim of foreign exporters. The bill provides no assurance whatever of a fair and reasonable return for our producers' total product.

At a time of oppressive inflation, when all costs are rising and grain value on the farm has already been reduced several cents per bushel by successive freight rate increases, this is no time to further reduce farm commodity values.

The non-recourse loan level has been left entirely up to a Secretary of Agriculture who has already cut soybean price support at a cost to farmers measured in hundred millions, and one who has handled government grain holdings to keep domestic prices down to world market levels after the world price minimums in the International Grains Agreement have been sabotaged.

The bill puts excessive power to determine loan levels and set-aside requirements of each individual farmer in the hands of the Secretary of Agriculture. This is particularly serious while an administration is in office which has hailed as a "bright future" for Agriculture, during the Seventies, a prospective reduction in farm numbers from 3 million to 2 million and the concentration of 90% of all production in 500,000 to 600,000 of the remaining 2 million producers.

This hailed liquidation of our farmers means also the withering of small towns and cities, a further economic decline for producers and suppliers of farm production commodities and services wherever they are located, and a new wave of migration to overcrowded cities where unemployment is right now increasing to an alarming level.

It is rural development in reverse.

It means death to the parity concept which has served agriculture and the Nation usefully for nearly 40 years.

American farmers cannot survive economically if they are forced by policies dictated by the grain trade to compete for world markets with producers abroad whose exports are subsidized by their governments, or who operate on low cost lands, including the nearly free crown and public acreages which are available in some nations.

It is clear that this measure by depressing grain markets, will be a prelude to expansion of livestock production, which will defeat the efforts of that segment of agriculture to avoid surpluses and ruinous prices.

A time of economic recession and rising unemployment is the worst possible time to turn our backs on food producers and order the liquidation of hundreds of thousands more American farms.

JOHN MELCHER.
ALLARD K. LOWENSTEIN.

Additional Dissenting Views of Congressman Lowenstein

In addition to the reasons stated in the joint dissenting views of Congressmen Melcher and myself, I am unable to support H.R. 18546, the proposed Agriculture Act of 1970, because of the failure to include an adequate payment limitation. The bill contains an unreasonably high limitation on payments of $55,000 per crop, even though a $20,000 limitation has twice been approved by the House of Representatives in past years and once by the U.S. Senate on July 8, 1970.

Allard K. Lowenstein.

MINORITY VIEWS OF HON. CHARLES M. TEAGUE AND HON. GEORGE A. GOODLING

It is unfortunate indeed that after a year of deliberation and diligent effort a majority of the committee has arrived at what in essence is a carbon copy of past programs which have proven to be failures.

It is therefore more in sadness than in anger that we oppose this bill. We feel that H.R. 18546 is symptomatic of the well-intentioned tinkering with American agriculture that has been painfully evident the last forty years.

When stripped of a few of its new legislative bangles and beads, this bill stands as a poor copy of the Food and Agriculture Act of 1965. Like the 1965 Act this bill will continue expensive compensatory payment programs . . . over $10 billion during the next three years . . . on three of our most important crops—wheat, feed grains, and cotton.

Like the 1965 Act this bill continues the concept of low market prices for the producers of three major crops.

Like the 1965 Act it will preserve farm allotments and bases as ineffective instruments of governmental supply management.

Like the 1965 Act this bill, when it expires in 1973, will cause farmers to again be confronted with ancient and unacceptable programs imbedded into the archives of the permanent farm law.

Like the 1965 Act it will continue without any glimmer of hope the patchwork of crop control and subsidy programs which has wasted so much of the public treasure for so long while never really helping farm people adjust to modern technological change.

When examined closely, the "new" wrinkles in this bill are really the same old political poultices of the past.

For example, H.R. 18546 purports to establish a "set-aside" program which is allegedly different from the current program of land diversion. Other than changing the name of annual land diversion to annual "set-aside" of land, we see no difference at all in this program.

Another of the supposed changes in this program is to allow greater planting freedom to farmers. Yet the bill specifically continues the Secretary's authority for planting restrictions for two of the bill's three-year life.

Another supposed change lies in the method of calculating the compensatory payment. Under the 1965 Act the payments are the difference between the support price and the loan level. Under the new bill these payments are the difference between the support price and the five-month market price with cotton and feed grains being guaranteed at 15 cents per pound and 32 cents per bushel respectively. We see little substantive difference in this.

The only scintilla of change in H.R. 18546 is the committee amendment limiting annual payments on wheat, cotton, and feed grains to $55,000 per person.

We seriously question whether the Congress will accept a so-called "limitation" of this nature since it affects only about a thousand out of nearly three million farms in this country while doing nothing to meet the basic problems facing American agriculture.

In summary, we feel that this multi-billion dollar extension of the costly and ineffective failures of the past should be rejected by the House in order to set the stage for meaningful and long-overdue reform of our farm program.

We urge that H.R. 18546 be rejected by the House.

CHARLES M. TEAGUE.
GEORGE A. GOODLING.

ADDITIONAL VIEWS OF CONGRESSWOMAN CATHERINE MAY ON THE WHEAT AND FEED GRAIN PROVISIONS OF THE AGRICULTURAL ACT OF 1970, H.R. 18546

For the past 18 months I have worked with my colleagues on this Committee to develop good farm legislation to replace the 1965 Act which expires at the end of the current crop year. From the first, my efforts have been directed toward drafting a bill which would adequately meet the many needs of U.S. agriculture and the American farmer, and come directly to grips with the most important and most pressing farm problem today—low farm income. It cannot be stressed too strongly that if we expect U.S. farmers to continue to supply us with quality food and fiber at reasonable prices, they must receive adequate returns.

During consideration of wheat and feed grains legislation by the Livestock and Grains Subcommittee and by the full Committee, I made every effort to incorporate income improving provisions in the draft bill. On June 2, I supported the substitution of our original Subcommittee wheat and feed grains draft for the provisions which had been developed to that point in the full Committee because I felt that this draft would, in the long run, provide greater farm income protection.

It soon became apparent, however, that the question was not *which* farm bill our Committee would report, but whether *any* farm bill could be sent to the House of Representatives.

In the absence of a bill, wheat and feed grain producers would be forced to operate under the provisions of the old, permanent farm law. A return to the old law would be disastrous for wheat and feed grain growers. While both of the bills over which our Committee and the Administration were deadlocked would assure growers 100% of parity ($2.82) on domestic wheat, the permanent law could provide no more than 90% of parity ($2.54) if the wheat referendum were approved by growers. If, however, the referendum were not approved, the results would be even more disastrous, for there would be no certificates or payments of any kind, and wheat price supports would be set at 50% of parity. The effect on feed grains would be equally adverse.

As a Member of the Congress and of the House Agriculture Committee, my first responsibility to the Nation, and to those I represent, is to try to obtain passage of the best farm bill possible under the circumstances. Accordingly, in view of the alternatives with which we were faced and the very real possibility that no new farm legislation could be enacted unless the Committee deadlock were broken, I elected to support those provisions which offered the best possibility of Committee approval and enactment by the Congress.

The wheat and feed grain titles of our Committee bill do not incorporate all the provisions I believe are necessary to protect and improve farm income. But, while it is not the best possible bill, it is the best bill possible under the circumstances, and as such, will have my support. I hope further improvements can be made as the legislation progresses through the remaining steps of Congressional consideration, and that the bill will have the support of my Colleagues in the House.

CATHERINE MAY,
Member of Congress.

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Union Calendar No. 632

91st CONGRESS
2d Session

H. R. 18546

[Report No. 91–1329]

IN THE HOUSE OF REPRESENTATIVES

July 21, 1970

Mr. Poage (for himself and Mr. Belcher) introduced the following bill; which was referred to the Committee on Agriculture

July 23, 1970

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Insert the part printed in italic]

A BILL

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

Sec. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall

be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: Provided, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f)

shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and de-

mand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not deliverying milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later, pursuant

to the provisions of section 8c(5)(D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all pro-

ducers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "*Provided further,* That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "*Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31,

1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "( )".

TITLE IV—WHEAT

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of

wheat under section 379b (c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the

Secretary determines necessary to provide a fair and equitable yield.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms

and conditions as he may prescribe: *Provided,* That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided,* That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers

and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal

to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall issue certificates to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates so issued shall not be reduced if the

face value as finally determined is less than the preliminary face value.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a) (1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop.

The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county do-

mestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new

cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no

acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b) (1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive payment for such portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1,

1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d(b) the following:

"Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat."

(3) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops

of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words

"the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for the current crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "*Provided,* That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b) (1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e) (2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have

planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secre-

tary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That

such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in con-

formity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e) (1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided,* That except for acreage provided for in subsection (b) (3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection

(b) (3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b) (3).

"(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the

Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and

stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided,* That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and

subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided,* That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basic of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net

weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b) : *Provided,* That the State com-

mittee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e) (1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rota-

tion practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be consid-

ered to be an acreage planted to cotton: *Provided*, That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the

production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided,* That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103 (e) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e) (1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average loca-

tion in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster: *Provided,* That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

"(4) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal

to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secre-

tary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e) (6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regula-

tions as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided,* That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89-321 (79 Stat. 1210) is amended as follows:

(1) By adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended." the words "or the Agricultural Act of 1949, as amended,"; and

(2) By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401 (a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83–480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "*Provided,* That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secretary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate mem-

bers of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review applications of farmers for the public land use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the follow-

ing: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open

spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. The term 'rural areas', for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under

paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 through 1973 crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through

no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

Union Calendar No. 632

91ST CONGRESS
2D SESSION

H. R. 18546

[Report No. 91–1329]

A BILL

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

By Mr. POAGE and Mr. BELCHER

JULY 21, 1970

Referred to the Committee on Agriculture

JULY 23, 1970

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

91ST CONGRESS
2D SESSION

S. 4118

IN THE SENATE OF THE UNITED STATES

JULY 24, 1970

Mr. DOLE introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall

be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity, shall not exceed $55,000.

(2) The term "payments" as used in this section includes price support payments, set-aside payments, diversion payments, public-access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided,* That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f)

shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary

determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers

under the order, shall ninety days later, pursuant to the provisions of section 8c(5)(D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order. The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure

equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c (12) and the last sentence of section 8c (19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c (16) (B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such pro-

visions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(d) The provisions of this section shall not be effective after December 31, 1973.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price sup-

port shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "*Provided further*, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and

add the following: "*Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding

value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b (c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels deter-

mined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum,

and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation

uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate

in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the suppply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts

as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall issue certificates to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates so issued shall not be reduced if the face value as finally determined is less than the preliminary face value.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a) (1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year

for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the

domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following

factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purposes of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreage to such other factors as he deems necessary in

order to establish a fair and equitable conserving use acreage for the farm.

"(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and

conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive payment for such portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d(b) the following:

"Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour

exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat."

(3) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in

this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotments for wheat."

SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by that amount by which the actual total

production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for the current crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect

to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "*Provided*, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall

the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401 (b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into con-

sideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b) (1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available to corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the

succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e) (2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject

to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to describe goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and

reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included

in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e) (1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order

to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and eqiutable feed grain bases for farms within such State or county: *Provided*, That except for acreage provided for in subsection (b) (3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b) (3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b) (3).

"(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms

owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regula-

tions as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and esti-

mated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided,* That any temporary transfer of farm acreage allotment by lease or by

owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided,* That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county, and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national

base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage

allotment, whichever is in effect, during the five calendar years immediately proceeding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b) : *Provided,* That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e) (1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allot-

ment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allot-

ment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an average planted to cotton: *Provided,* That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective only for the 1971, 1972, and 1973 crops any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surren-

dered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided,* That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection

shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103 (e) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e) (1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment

rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster: *Provided*, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

"(4) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of agricul-

tural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in

relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland

cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided,* That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this

section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89–321 (79 Stat. 1210) is amended as follows:

(1) By adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and reference made to the terms 'price support,' 'price

support operations,' and 'price support program' in such sections and in section 401 (a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83–480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16 (e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) by inserting "(1)" after "SEC. 16 (e)";

(2) by inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,";

(3) by inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,";

(4) by striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "*Provided*, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage.";

(5) by inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such

portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secreary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review applications of farmers for the public land-use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance.";

(6) by adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain.";

(7) by adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.";

(8) by adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising and bid procedure in determining the lands in any area to be covered by agreements.";

(9) by adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the pres-

ervation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. The term "rural areas", for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."; and

(10) by striking out the last sentence of paragraph

(7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359

note), is amended to read as follows: "This amendment shall be effective for the 1957 through 1973 crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

91ST CONGRESS
2D SESSION

S. 4118

A BILL

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

By Mr. DOLE

JULY 24, 1970

Read twice and referred to the Committee on Agriculture and Forestry

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

For actions of July 29, 1970
91st-2nd; No. 129

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HIGHLIGHTS: House committee granted open rule to consider farm bill.
Senate committee reported continuing resolution.
Sen. Proxmire questioned Department's failure to ban nonessential uses of DDT.

HOUSE

1. FARM BILL. Rules Committee reported H. Res. 1165, granting an open rule for the consideration of HR 18546, the proposed Agriculture Act of 1970, providing for:
4 hours of debate
the reading of the bill by title instead of by sections;
the waiving of points of order against certain provisions. pp. D838, H7420

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
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2. APPROPRIATIONS. Agreed to the conference report on HR 17548, the Independent Offices-HUD appropriation bill for FY 71. pp. H7368-83

3. POLLUTION. Representatives Vanik and Gude urged team efforts to combat the critical air pollution problem. p. H7368

4. RECREATION. Rules Committee reported H. Res. 1164, providing for the consideratio of HR 18275, to provide for the disposal of surplus Federal property for park an recreational uses. p. H7420

5. RIVER BASIN PROJECT. Committee on Interior and Insular Affairs reported with amendments HR 16987, authorizing the construction, operation, and maintenance of the Minot extension of the Garrison Diversion unit of the Missouri River Basin project in North Dakota (H. Rept. No. 91-1346). p. H7420

SENATE

6. APPROPRIATIONS. Committee on Appropriations reported H.J. Res. 1328, making continuing appropriations through October 15, 1970 (S. Rept. No. 91-1041). p. S12283

7. PESTICIDES; DDT. Sen. Proxmire rebuked the Department for reversing its position on banning the non-essential uses of DDT and questioned the influence of the pesticide industry on recent Department decisions. pp. S12396-99

8. NATIONAL FOREST. Passed without amendment HR 914, to relieve Hood River County, Oregon of obligation to pay U.S. Govt. claim for Mt. Hood Forest lands. This bill now goes to the President. pp. S12277-79

9. FUTURE FARMERS OF AMERICA. Senators Harris and Tower reported the activities of the FFA during the recent meeting of the youth group in Washington, placing in the Record speeches by delegates on Department activities important to the young farmer; the report "Better Days Through Better Ways" by the FFA President, Harry Birdwell, which launches the new community development program of the organization; & the statement of the Administrator of FHA. pp. S12309-13

10. INFLATION. Sen. Fannin announced his intention to introduce a constitutional amendment which would compel Congress to match spending to Federal income except in time of declared war or national economic emergency. pp. S12280-81

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

For actions of August 4, 1970
91st-2nd; No. 133

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HIGHLIGHTS: House concluded all general debate on farm bill; proceedings will continue on Wednesday.
Senate subcommittee approved plant variety protection bill.

HOUSE

Began

1. FARM BILL. ~~Concluded all general~~ debate on H.R. 18546, the proposed Agriculture Act of 1970. The first title of the bill was read and open for amendments when the Committee of the Whole rose. Proceedings under the 5-minute rule will continue tomorrow. pp. H7672-98, H7723-37

   Several Representatives discussed the proposed $55,000 farm payment limitation. pp. H7667-8, H7737-8

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

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2. WILDERNESS. A subcommittee of the Committee on Interior and Insular Affairs approved for full committee action an omnibus wilderness bill. p. D864

3. POLLUTION. Rep. Lowenstein urged prompt action on legislation proposals designed to avert ecological catastrophe but noted that even these measures do not constitute an adequate attack on the country's environmental problems. pp. H7739-41

SENATE

4. NATIONAL PARKS. Passed without amendment H.R. 14114 to improve the administration of the national park system. This bill now goes to the President. pp. S12720-22

5. NOVEL PLANTS. A subcommittee of the Agriculture and Forestry committee ordered favorably reported to the whole committee with amendments S. 3070 to encourage the development of novel varieties of sexually reproduced plants. p. D862

6. APPROPRIATIONS. Adopted the conference report on H.R. 17548, fiscal 1971 appropriations for HUD and independent offices. This bill now goes to the President. pp. S12734-48

EXTENSION OF REMARKS

7. FARM BILL. Rep. Alexander placed in the Record a letter discussing the value of farm payments and the farm program, in response to the editorial "Farm Bill Shenanigans". pp. E7289-90

8. EMPLOYMENT. Rep. Mahon submitted for the Record a release highlighting the June 1970 Federal civilian personnel report. pp. E7291-2

9. BUDGET. Rep. Brown, Ohio, called attention to the statement of the minority members of the Joint Economic Committee which addressed itself "to the failure of Congress to exercise its budgetary 'prerogatives' by setting reasonable and necessary limits to Federal spending." p. E7307

10. WATER RECLAMATION. Rep. Bob Wilson inserted an article discussing the waste water reclamation system of Santee County, California. pp. E7323-4

BILLS INTRODUCED

11. DAIRY PROGRAM. H.R. 18785, by Rep Chamberlain, to establish an improved program for the benefit of producers and consumers of dairy products; to the Committee on Agriculture.

space, radio and television time, office space, moving picture films, and automobile and any other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1970 to which a candidate for the House of Representatives is to be nominated or elected.

(3) The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

(4) The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

(5) The violations, if any, of the following statutes of the United States:

(a) The Federal Corrupt Practices Act.

(b) The Act of August 2, 1939, as amended, relating to pernicious political activities, commonly referred to as the Hatch Act.

(c) The provisions of section 304, chapter 120, Public Law 101, Eightieth Congress, first session, referred to as the Labor-Management Relations Act, 1947.

(d) Any statute or legislative Act of the United States or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

(6) Such other matters relating to the election of Members of the House of Representatives in 1970, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which, in its opinion, will aid the House of Representatives in enacting remedial legislation, or in deciding contests that may be instituted involving the right to a seat in the House of Representatives.

(7) The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

For the purpose of this resolution, the committee or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Ninety-first Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

(8) The committee is authorized and directed to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper.

(9) Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of the subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 11, 1971, as hereinabove provided.

The SPEAKER. The gentleman from Massachusetts is recognized for 1 hour.

(Mr. O'NEILL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. O'NEILL of Massachusetts. Mr. Speaker, at the conclusion of my remarks I will yield 30 minutes to the gentleman from California (Mr. SMITH).

Mr. Speaker, this is the biennial special committee to investigate campaign expenditures. Normally the first thing the committee does when it is in operation is to compile a list of the State and Federal laws dealing with campaign contributions and expenditures and the judicial interpretation of relevant statutes. This booklet is sent to every candidate for Congress in the United States. When the campaigns start functioning, Mr. Speaker, we receive many requests for information and many complaints about violations of these laws. We insist that these complaints be in writing and under oath. Such complaints, when received, are investigated when the facts that are set out in the complaint justify such an investigation.

After the reports come back from the investigators, the committee meets and we decide whether or not we should have hearings to further examine and determine the case. This year, Mr. Speaker, we expect many more complaints than we have had in the past. For the first time in history there have been 17 indictments under the Federal Corrupt Practices Act. There is a rigorous enforcement of this act, and there has never been enforcement of it in the past.

Since the last time the committee functioned, the Committee on the Code of Ethics for the House has been in existence, and the acceptable action of Congressmen is more clearly defined than in the past.

Then also, Mr. Speaker, we have this year the Reorganization Act, and we have the Voting Rights Act, and it is expected that there will be a predominance of "squeak" elections in which the losers may challenge the election.

Two years ago, Mr. Speaker, this committee was authorized to spend $50,000. Actually, we spent $24,385.85, less than 50 percent of the money. I appeared before the Committee on House Administration this morning and asked for a budget of $70,000, which I hope will be approved some day later in the week. The reason for that is, as I say, that we expect many more cases than we have had in the past. The regular staff of the committee is traditionally a small one, with a majority counsel and a minority counsel, and two or three secretaries, but we do have to have additional investigators. The more challenges and complaints, the more people and time must be devoted to conducting investigations.

Mr. Speaker, I hope that the resolution is adopted.

I now yield to the gentleman from California (Mr. SMITH).

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the same resolution, word for word, that has been passed many times here in the House of Representatives during previous elections. It has been adequately explained by the gentleman from Massachusetts (Mr. O'NEILL) who heads up this committee.

I urge the adoption of the resolution, Mr. Speaker, and I reserve the balance of my time.

Mr. O'NEILL of Massachusetts. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ADAIR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 254]

Anderson, Tenn.	Evins, Tenn.	Pelly
Ashley	Fallon	Pepper
Aspinall	Flynt	Pollock
Baring	Fulton, Tenn.	Powell
Blanton	Gallagher	Quillen
Bolling	Giaimo	Randall
Brock	Gilbert	Rarick
Broomfield	Gray	Rees
Burleson, Tex.	Griffiths	Riegle
Burton, Utah	Hagan	Rostenkowski
Cabell	Hansen, Wash.	Roudebush
Caffery	Hébert	Ruppe
Camp	Hull	Ryan
Carey	Hungate	Scheuer
Casey	Ichord	Shriver
Celler	Jarman	Stafford
Chappell	King	Stuckey
Chisholm	Leggett	Symington
Clark	Long, La.	Teague, Tex.
Clay	Lujan	Thompson, Ga.
Conyers	Lukens	Thompson, N.J.
Cramer	McDonald, Mich.	Tiernan
Cunningham	McEwen	Tunney
Daddario	MacGregor	Welcker
Dawson	Meskill	Wilson, Charles H.
Dent	Moorhead	Winn
Diggs	Nelsen	Wright
Dingell	O'Hara	Young
Edwards, La.	Ottinger	
Erlenborn	Patman	

The SPEAKER. On this rollcall 342 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF ROLLCALL

Mr. HAMMERSCHMIDT. Mr. Speaker, on rollcall No. 253, on yesterday, August 3, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AGRICULTURAL ACT OF 1970

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 1165) providing for the consideration of the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1165

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, and all points of order against the provisions contained in title VII and on page 54, line 10 through page 55, line 14 of said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideraiton of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. BOLAND). The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1165 provides an open rule with 4 hours of general debate for consideration of H.R. 18546, the Agricultural Act of 1970. The bill is to be read for amendment by titles instead of by sections and all points of order are waived against the provisions contained in title VII and on page 54, line 10 through page 55, line 14 of the bill. Points of order are waived against title VII, which is a 3-year extension of Public Law 480, because it continues the availability of foreign currencies without appropriation, in violation of clause 4, rule 21. Points of order are waived against the language on pages 54 and 55 of the bill because it contains a transfer of funds.

H.R. 18546 is a 3-year program to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The bill establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, and feed grains.

The bill clarifies and reaffirms authority for base excess and seasonal plans and extends and amends the authority for the dairymen's class I base plan in Federal milk market order areas. It guarantees competitive access to class I base plan markets by established producers outside the market order area. Operation of the mandatory butterfat price-support program for farm-separated cream is suspended and the Secretary is permitted to set lower price-support prices on butter. Dairy products owned by the CCC may be donated to the armed services an veterans' hospitals. The Secretary's authority is extended to make indemnity payments to dairy farmers whose milk is contaminated by and condemned because of pesticides.

The National Wool Act is extended through December 31, 1973, and the present incentive prices for shorn wool and mohair are continued for each year.

The bill suspends the marketing quota program for wheat for 1971, 1972, and 1973 and domestic marketing certificates are provided to farmers participating in the set-aside program in an amount equal to U.S. food consumption.

A voluntary feed grain program is established for 1971, 1972, and 1973, which provides that price support payments to participating farmers on one-half their feed grain base will be the difference between not less than $1.35 a bushel for corn and the average market price for the first 5 months of the marketing year—which starts on October 1 on corn and grain sorghum, and July 1 on barley. However, no payments would be less than 32 cents a bushel for corn, with corresponding rates on grain sorghum and barley.

In the wheat program and the feed grain program additional set-aside and public recreational access payments are authorized; a set-aside program is established; and preliminary payments are provided.

A guaranteed support on upland cotton of 35 cents a pound is provided on the estimated production from 11.5 million acres for the 1971 crop and an equivalent amount for the 1972 and 1973 crops. Assistance is made available to participating farmers through loans and payments. The legislation allows the sale of cotton allotments within a State, permits the lease of allotments within a State, and provides for the release and reapportionment of allotments during the 3-year life of the legislation.

Public Law 480 is extended without change.

Long-term land retirement programs, "Cropland Conversion" and "Greenspan" are continued at an authorized appropriation level of $10 million annually for each program. The current exemption for marketing quotas for boiled peanuts is continued. Those who do not desire to hold an allotment on any crop under a Government program would be permitted to voluntarily relinquish it. An indemnity program is established to reimburse beekeepers for losses caused by pesticides.

Mr. Speaker, I urge the adoption of House Resolution 1165 in order that this comprehensive bill may be considered.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. To what does the waiver of points of order apply? What is sought to be protected in the bill?

Mr. SISK. That has to do with Public Law 480. Actually, points of order are waived as to the language on pages 54 and 55 of the bill. This, as my friend understands, is not a complete waiver but only of that language on pages 54 and 55 of the bill dealing with certain transfer funds.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. SISK. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. LATTA).

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, as one deeply interested in the welfare of our Nation's farm families, it is needless for me to say that I am pleased to bring this rule to the floor today. It makes in order the consideration of the Agriculture Act of 1970, and provides for an open rule with 4 hours of general debate. An open rule will permit Members of the House to offer any and all germane amendments and will permit the House to work its will on these amendments.

Before discussing some of its provisions, permit me to make a few comments concerning the evolution of this bill. In years past, the Secretary of Agriculture—as a representative of the administration in control of the White House—would send a farm bill to the Congress and then spend considerable time trying to convince the agriculture committees and the Congress that the answer to our farm problems could come only through the passage of the legislation recommended by him. When one considers the fact that we have suffered the almost unbelievable loss of 3.6 million farming units in the United States since 1935, and that corn and wheat are bringing less on the market today than they did in 1950, one must surely conclude—to

put it mildly—that these farm programs should have done more for the farmer rather than so much to him.

The bill to be considered under this rule is different, at least, in one respect. It did not originate in the Office of the Secretary of Agriculture. It was truly formulated and drafted by the Committee on Agriculture. It is true that the Committee on Agriculture did have the benefit of the counsel and advice of the Secretary of Agriculture. In fact, the chairman of the Agriculture Committee informed the Rules Committee that his committee had some 25 working sessions with the Secretary of Agriculture before this bill finally evolved. It was then approved by a 27-to-6 vote in the House Committee on Agriculture.

Notwithstanding some of my reservations concerning the ability of certain provisions of this bill to increase farm income, I wish to commend the chairman of the Agriculture Committee, its ranking member and the other members of the committee for the many weeks they spent in producing this bill. Mr. Speaker, it was rumored for weeks that a new farm bill would not be forthcoming, and that the farm programs now in effect would be permitted to expire at the end of this year. I am glad these rumors were unfounded. Such a course of action would have caused a sharp drop in farm income. In the interests of time, I will mention what would happen to only two of these crops without this bill in order to prove my point.

FEED GRAINS

The authorization for the acreage diversion and direct payment features of the present feed grain program would expire. There would be no direct payments and no restrictions on feed grain acreage. The Secretary of Agriculture would be required to support the price of corn between 50 and 90 percent of parity, but would be precluded from using any support prices which would increase wheat CCC stocks.

The Secretary of Agriculture would lack authority to carry out the wheat certificate plan without first obtaining a favorable vote in a producer referendum. Marketing quotas would be in effect as proclaimed by the Secretary and approved by two-thirds of the producers voting in a referendum. If quotas were approved, the certificate plan also would be in effect. The value of domestic certificates would be the difference between the loan rate and a support level of not less than 65 percent and not more than 90 percent of parity. There would be no diversion payments, but there would be a land use penalty for failure to make mandatory acreage diversions. Should wheat producers vote to disapprove marketing quotas, there would be no quotas, land use penalties or wheat certificates. Price support would be available to producers who comply with their allotments at 50 percent of parity.

Mr. Speaker, when one fully understands what would happen if these programs are permitted to expire, the need for the passage of new farm legislation in this Congress really comes into focus.

Mr. Speaker, this committee bill contains dairy, wool, wheat, feed grains, cotton, and other titles, as well as extends Public Law 480. I am particularly interested in the dairy, wool,. wheat, and feed grain titles as they are so important to Ohio agriculture in general and to the farmers in my district in particular. Briefly, here is what these titles provide:

DAIRY

Extends and amends the authority for the dairymen's class I base plan in Federal milk market order areas. It specifically guarantees competitive access to class I base plan markets by established producers outside the market order area. Appeal procedures under present law remain unchanged.

Suspends the operation of the mandatory butterfat price support program for farm-separated cream and permits the Secretary to set lower support prices on butter.

Extends the Secretary's authority to donate dairy products owned by CCC to the armed services and veterans hospitals.

Extends the Secretary's authority to make indemnity payments to dairy farmers who through no fault of their own have their milk contaminated by and condemned because of the presence of pesticides and residues.

WOOL

Extends the National Wool Act of 1954, as amended, through December 31, 1973.

Continues the present incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

WHEAT

Suspends the marketing quota program for 1971, 1972, and 1973.

Provides domestic marketing certificates to farmers participating in the set-aside program in an amount equal to U.S. food consumption—about 530 million bushels annually.

Sets the face value of these domestic certificates at the difference between the wheat parity price—currently $2.82 per bushel—and the average price received by farmers during the first 5 months of the wheat marketing year—which starts on July 1.

Provides for a preliminary payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment—if any—would be paid in December. If the Secretary's estimate were too high, no refunds by farmers would be required.

Continues the cost of certificates to wheat processors at 75 cents per bushel.

Authorizes the Secretary to set nonrecourse loans to participating farmers from zero to 100 percent of the parity price for wheat.

Establishes a "set aside" program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary.

Authorizes payments to participating farmers for any additional set-aside acreage and for permitting public recreational access.

FEED GRAINS

Establishes a voluntary feed grain—that is corn, grain sorghum, and barley—program for 1971, 1972, and 1973.

Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between not less than $1.35 per bushel—for corn—and the average market price for the first 5 months of the marketing year—which starts on October 1 on corn and grain sorghum and July 1 on barley. In no event, however, would these payments be less than 32 cents per bushel for corn—with corresponding rates on grain sorghum and barley.

Authorizes the Secretary to set nonrecourse loans at 0 to 90 percent of feed grain parity prices.

Authorizes additional set-aside and public recreational access payments.

Establishes a "set-aside" program under which participating farmers would be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

Provides for a preliminary payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and $1.35 were more than 32 cents during the first 5 months of the marketing year, an additional payment would be made. In no event would refunds by farmers be required.

Mr. Speaker, notwithstanding some of the statements which have been made concerning the ability of this new legislation to maintain farm income, I would like to see some amendment made during the consideration of this bill, which will make certain that farm income is not only maintained but increased. Our farmers are suffering from the inflation in this country as much or more than any other group and to fail to provide for an increase in his income would be extremely unfair. I, therefore, urge my colleagues to support the amendments which will be offered to make certain that our farmers recieve the additional income to which they are entitled.

Mr. Speaker, I urge the adoption of this rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I thank the gentleman from Ohio for yielding. I rise to bring up a couple of questions about the rule as well as some questions I have about the possibility of error in the language of the bill.

The rule provides for read'ng the bill by title instead of by section. This is not an unprecedented procedure. Am I correct that in reading the bill by title the members of the committee can expect that the complete language of each title will be read and that we simply will not be hearing "Title I" and then that will be the end of the reading of the title? Am I correct on that point, that it is contemplated each title will be read in full? Does anyone have an answer on that?

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I think the rule is very clear. This is not unprecedented but a common practice, to let the rule be read by title. As to whether or not each title would be read in its entirety would be up to the House. I would assume, as we sometimes do, we may have a unanimous-consent request to consider a title or section as read and open to amendment at any point.

It will be considered by title and it will be read, or a unanimous-consent request will be made, which in essence is tantamount to having it read.

Mr. FINDLEY. Mr. Speaker, I thank the gentleman.

Mr. Speaker, on pages 13 and 29 and 46 are provisions that strike me as very likely errors in the language of the bill. I wonder if the Committee on Rules had any indication from those who testified that there are substantial mistakes in the language of the bill, which will have to be corrected?

Mr. SISK. Mr. Speaker, again if the gentleman will yield, so far as the Committee on Rules, we have no information as to any errors, grammatical or otherwise, in connection with the bill. There was no reference made to such errors. Therefore we are not knowledgeable in the Committee on Rules as to any errors of this type.

Mr. FINDLEY. Mr. Speaker, I thank the gentleman from California.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. HALL).

Mr. HALL. Mr. Speaker, I favor this "rule," because for 10 years now, I have sat in these Chambers listening to, and ofttimes participating in, debate about what is good and what is bad for the American farmer. It has been alluded to today. Although I do not criticize past programs and agricultural policies, I do suggest that they have been and are inadequate. From where I sit, in a rural district, it appears that in all these years we have accomplished little more than to pass a series of temporary stopgap measures, which in turn begat more temporary stopgap measures. I think it is time we set aside this type of thinking and put our collective minds to the task of dealing with the basic problem.

Farm legislation annually concerns itself with dollars going to farmers as the final goal. I contend that the final goal should be agricultural values, bought with dollars for the benefit of both the farmer and the consumer. In place of just dollars spent, it should be dollars buying the solution to the problem.

Farm legislation has traditionally been guided by averages. We are inundated with—the average farmer, average income, average food needs for people, average acres per farm, whereas our thrust should be directed to individual farmers, acres, soil, and consumers.

Last year a publication produced by the U.S. Department of Agriculture entitled "Agriculture Situation" stated that 17.2 percent of the consumer's income—after taxes—went for food. A record low. A commendable achievement, and one I am told has no equivalent anywhere in the world or history. I am told that by the distinguished chairman of the Committee on Agriculture. It is easy to agree that this low percentage was brought about by a combination of many good things: Farm programs, county agents, research, machinery—including rubber-tired tractors—insect and weed sprays, fertilizers, hybrid seeds, farm journals, and many other items, all involved in helping the farmers produce. However, let us not neglect to turn the coin over and look at the other side.

We find that parity of income for farmers, promised for more than 35 years is still unattainable. In fact, 2 years ago it was at an all time low.

We find surplus agricultural products that no one wants to buy at a fair price.

We find that thousands of farmers have left the land. Low income farmers have not been helped.

We find that small "family" farms are fast disappearing.

We find that rural communities are beginning to show a higher level of true poverty.

What has caused this to happen? I contend that it is the end result of paying too low a price per acre—for lowering the production of the small farmer without increasing the price for his products.

It is my considered judgment, therefore, that any farm legislation enacted by the Congress should have a threefold objective:

First. To provide an abundance of good food at a reasonable cost to the consumer.

Second. To preserve and restore the potential of the farm land.

Third. To give farmers the opportunity to earn a fair parity of income for their efforts.

In order to accomplish these objectives, I offer as the key, a proposal that I call the "second market."

The "second market" will give to the farmer the option to produce food or fiber on his land, or take that land out of what I will term "normal production," and produce on it instead a crop that would retain or enhance the value of that land. Such a "restoration" crop could be—cover for wild life, land beautification, sweet clover to be plowed under—any number of items that would tend to make scientific use of the unused land until it is ready, at the option of the farmer, to be placed back into "normal" production again. The farmer would be encouraged, by a predetermined payment, to take acres out of production based on supply and demand of the local conditions of price, cost, and yield—in other words, an open marketplace under the law of supply and demand. In addition should he, for example, build a farm pond to be used for irrigation, one approved by the Soil Conservation Service, he would receive a bonus payment from the ASCS. We would be paying a reward for contributing to the enhancement of the land and soil, not placing it in a "soil bank" to lay idle and deteriorate.

Later, when the farmer would—by his own determination—decide that the conditions were right, he could voluntarily move those "restored" acres back into production to help feed and clothe the 95 percent of our population that is not involved in producing for the whole, and at the same time, be paid a parity price for so doing.

The effect would be:

First the Government would be out of the business. It would instead be in the business of restoration and protection of vital food producing God-given resources.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. LATTA. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HALL. I thank the gentleman.

Second, supply and demand, cooperative buying and selling, even collective bargaining, and all other various farm organization objectives are not interferred with.

To the cotton farmer: We would not pay you not to grow cotton, we will pay you for restoring the land that you will voluntarily not grow cotton on. The same for wheat, corn, and so on right down the line.

For the Nation as a whole, the results would be:

Surplus control managed by the farmers, voluntarily.

Abundance assured in steady, nutritious supply at a reasonable price for the consumer.

Net profit for the farmer is assured at or above the parity of income level.

The Nation is assured of a permanent potential in case of emergencies for the production of food and fiber by a constant program of soil and water restoration.

Past and present farm programs are not adequate to reach these objectives at the same time. In their workings, abundance is associated with low prices. They have no control over the effects on the people or on the resources of soil and water when farming is done as we now do it. The success of present-day agriculture, as measured by the abundance we now have, is reduced by a considerable amount when we must also admit the high percentages of rural poverty, the loss of water and soil resources, the contamination of wells and streams, the possible accumulation of poisons in foods and drinking water, the destruction of wildlife and the beginning of malnutrition and hunger.

All these are signs of the failure of agriculture—Government plans and formulas. We must dedicate ourselves to turning the minus signs into pluses for all mankind.

It is not only a farm problem, Mr. Speaker, not only one of agribusiness, but one for the consumer. The end product of food and fiber stuff is human bodies. In our present and in the immediately foreseeable delicate balance of nature we must get right along with this job. Here is an admitted solution. Let us work the plan.

At the proper time I shall move a substitute for titles III through VI of the

committee farm bill in the form of an amendment, which—my Seventh Missouri Farm Advisory Council, and I—have developed over a period of years as a result of the book, "Our Balance of Nature," by master farmer, agronomist, and conservationist, E. M. "Gene" Poirot, and second, as a result of demonstrated farm products which we have shown to the Committee on Agriculture, with respect to which they journeyed to the district I am privileged to represent, in order to investigate. They know they will work to this very end, and finally to a solution to the problem with which we are all concerned.

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. MADDEN).

(Mr. MADDEN asked and was given permission to revise and extend his remarks and include extraneous matter.)

ANNUAL FARM SUBSIDY

Mr. MADDEN. Mr. Speaker, today the House again considers the annual $3½ billion farm subsidy.

Last year, this House curtailed this subsidy "Bonanza" to the large corporation farms to a $20,000 annual limitation. When the bill was taken up in the Senate that body defeated the $20,000 limitation.

Three weeks ago, the Senate acted on the 1970 version of this legislation and upheld the House action of 1 year ago by limiting the annual rural subsidy to $20,000.

I do hope that the House will repeat its action of 1 year ago and also uphold the Senate's action of 3 weeks ago and save the American taxpayers millions of dollars by again limiting this annual rural subsidy to $20,000.

Our greatest newspaper in the Middle West during the last week has come out strongly in favor of the $20,000 limitation.

Mr. Speaker, on Saturday, August 1, 1970, the Chicago Tribune had a very interesting and highly informative article which further reveals additional reasons why the American farmers should be aroused by the fabulous sums paid to several thousand farm operations for idle acres.

The vast majority of Members of Congress are very much in favor of a reasonable subsidiary to aid farmers economically, but we should confine it to the smaller-sized farms which are really the backbone of our agricultural system.

I submit in the RECORD the article in the Chicago Tribune for the Members' information:

NIXON RENEGED ON PROMISE: FARM BUREAU

(By Richard Orr)

The nation's biggest farm organization yesterday accused the Nixon administration of reneging on campaign promises to support new legislation designed to improve farmers' income from the market place and make them less dependent on federal subsidies.

Instead, the American Farm Bureau Federation charged, the administration is promoting a "patched up version of present unsatisfactory" laws to continue cash subsidies to farmers at current rates of about $3.7 billion annually.

The federation urged defeat of the legislation, scheduled to come before the House next week. The legislation, it said, is not supported by a single major farm organization.

RECALLS PROMISE

"In the campaign of 1968, President Nixon promised to change the direction of government farm policy," said Charles B. Shuman, federation president, in a statement issued from headquarters in the Merchandise Mart.

"In spite of this promise, the farm bill developed by his secretary of agriculture, Clifford Hardin, and Rep. Bob Poage (D., Tex.), chairman of the House Agriculture committee, is a camouflaged extension of the Food and Agriculture Act of 1965. . . .

"The legislation before Congress with administration support most certainly would increase the farmer's dependence on government payments for his income."

LISTS OTHER OBJECTIONS

Shuman also charged:

1. That altho Nixon promised to end the "dumping" of government-owned surplus crops on the market to depress farm prices, the proposed bill would continue the government's authority to do so.

2. That the bill ignores the problem of low income farmers and other rural people, despite Nixon's pledge of new rural development programs to provide "major improvements in the opportunities and quality of rural life."

"BANKRUPT STRATEGY"

"The apparent intention of the Nixon administration is to attempt to please the vested interests that have learned to profit from present farm programs by continuing to keep farmers dependent on subsidy payments as a substitute for market prices," Shuman said. "This is a bankrupt strategy; the administration cannot afford to take farmers for granted."

The Farm Bureau is backing another bill that would phase out subsidies on wheat, feed grains and cotton over a five-year period, with the aid of a massive crop land retirement program, while establishing a permanent price support system. The bill also authorizes retraining and other programs for low-income farmers who want to get out of farming and find employment elsewhere.

The Farm Bureau has the support of 20 senators and 40 members of the House, including three Illinois Rpublicans—Senators Smith and Percy and Rep. Paul Findley.

The Chicago Tribune, a newspaper that is consistently supporting all activities of the present administration, is very much alarmed regarding the pending farm bill which we are now considering on the floor of the House. This great daily newspaper is joining all the various farm organizations, especially the wheat and feed grain producing areas, in opposition to the pending farm bill. On Monday, August 3, 1970, the Chicago Tribune had the following editorial setting out its thoughts regarding some of the reasons why this annual $3.7 billion bonanza should be curtailed:

QUESTION FOR THE ADMINISTRATION

The American Farm Bureau Federation has accused the Nixon administration of reneging on campaign promises to support new legislation designed to improve farmers' income from the market place and make them less dependent on government subsidies. Instead, the administration is promoting legislation, scheduled to come before the House this week, which would continue farm subsidies at current rates of about $3.7 billion annually and extend other important features of present laws.

The federation also charges that Mr. Nixon went back on his promise to end the "dumping" of government-owned surplus crops on the market to depress farm prices. The proposed new legislation also ignores the major improvements in opportunities and quality of life for low-income farmers and other people in rural areas, as promised in the Nixon campaign, according to the federation.

The legislation was developed over months of conferences between Secretary of Agriculture Hardin and Rep. Bob Poage (D., Tex.), chairman of the House agriculture committee, and other committee members. It contains more of the features of the farm programs long espoused by Democratic administrations than any "new directions" in farm policy that the President talked about when he was campaigning for office.

If this legislation should be enacted, billions of more dollars for farm programs will be exacted from the taxpayers, despite warnings of increasing deficits in the federal budget. Inasmuch as they would have to pay for it the least taxpayers should expect is an explanation from Secretary Hardin, if not the President himself, of why the administration went back on its commitments.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to take this opportunity to commend the gentleman from Indiana. The gentleman is absolutely right. And when we get down to the amending stage I will offer an amendment together with the gentleman from Illinois, to provide for a $20,000 limitation per crop.

Mr. Speaker, I would like to direct this question to the gentleman:

When the gentleman was before the Committee on Rules, did the gentleman ask the members of the Committee on Agriculture how much this $55,000 limitation would save the taxpayers?

Mr. MADDEN. I thought that the $55,000 was for each farmer, but I found out in the Committee on Rules it is per crop. My gracious, if a farmer had six crops he would get six times $55,000. That is one of the hidden secret features in this bill.

Mr. CONTE. I would like to inform the gentleman from Indiana that I have directed this question to Secretary of Agriculture Hardin, and I am told that it would save only $48 million. So if we are interested in helping the little guy out, and helping the taxpayers of this country on this runaway program, then the least thing we can do is put in the $20,000 limitation and nothing else.

I would inform the gentleman from Indiana that as far as I am concerned if we do not get the $20,000 limitation I am going to vote against the entire farm bill, and urge all of the Members from the cities to vote against the farm bill.

If we get the $20,000 limitation I will then do everything I can to see the bill is passed.

Mr. MADDEN. I want to say further in explanation why I am 100 percent in favor of this limitation. In the first place, when farmers are not prosperous the steel mills and other industries in my district are affected, but I am against these farmers who receive payments, these annual six-figure checks for idle land.

Four large farm operations in Arizona and California received over $1 million

a year for idle land. Thousands receive annual bonanzas in six figures.

Mr. LATTA. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. ARENDS).

Mr. ARENDS. Mr. Speaker, I would like to say to the gentleman from Indiana that I am very pleased and very happy at long last that he is following the policy of the world's greatest newspaper, the Chicago Tribune. I hope that from here on we will find him following the views and suggestions of the Tribune all the time.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. BELCHER).

Mr. BELCHER. Mr. Speaker, it has always amazed me which one of the three gentlemen were going to get the most publicity out of this thing. I have never been able to figure out whether the gentleman from Massachusetts was the original or whether the gentleman from Illinois was the original, but at least they got another gentleman horning in on the act.

Now the gentleman from Indiana voted for all these high payments. The gentleman from Massachusetts I do not think did. I think he read the bill before he voted for it. But the gentleman from Illinois and the gentleman from Massachusetts have been in a feud for the last year or two as to which one of them were going to get the most publicity—and here comes a gentleman horning right in on the act.

Now I just do not know which one is going to claim the credit for getting this down to $20,000. I do not know which one even is going to offer the amendment to cut it down to $20,000, but I guess it will be whichever one gets up first.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. MADDEN. I would be very much interested in the President's next broadcast complaining why the Congress is throwing money in all directions, when he sees the number of Republicans who are going to vote for this $3½ billion bonanza.

Mr. BELCHER. I would like to say to the gentleman from Indiana that he has thrown more money away with both hands in the 20 years he has been here than I have. I have never seen him vote againsh a boondoggle that he was in on.

PERSONAL PRIVILEGE

Mr. CONTE. Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER pro tempore. The gentleman will state the point of personal privilege.

Mr. CONTE. The gentleman from Oklahoma referred to a Member of the House as "another guy." I also would like to have a definition of "horning in."

The SPEAKER pro tempore. The chairman suggests that the gentleman from Oklahoma might supply the definition.

Mr. BELCHER. What is the question?

The SPEAKER pro tempore. The Chair will state that the gentleman from Oklahoma has finished speaking.

Mr. CONTE. Mr. Speaker, may I speak further on a point of personal privilege?

The SPEAKER pro tempore. The gentleman from Massachusetts will state his point of personal privilege.

Mr. CONTE. Mr. Speaker, does not the gentleman from Massachusetts have an hour on the question of personal privilege?

The SPEAKER pro tempore. The Chair has not heard the gentleman from Massachusetts' point of personal privilege.

Mr. CONTE. Mr. Speaker, I think the gentleman from Oklahoma has been harsh on one of his fellow colleagues who is working very hard and sincerely on this measure.

I am sure this House has not taken as lightly as maybe the gentleman from Oklahoma has taken this issue. Twice on a rollcall on my amendment they have passed a $20,000 limitation per farm over his objection. In fact, 1 year—I had a motion to recommit, which he gave me. He did not take it lightly at that time. It is not a frivalous issue. It is a very serious issue.

POINT OF ORDER

Mr. LATTA. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Ohio rise?

Mr. LATTA. Mr. Speaker, I make the point of order that the gentleman from Massachusetts is not directing his remarks to the question that he raised about "horning in" or calling another Member "guy." The gentleman is discussing a matter which will be fully discussed when we get to the general debate.

Mr. CONTE. Mr. Speaker, I am trying to make the point that I am not horning in on anyone.

Mr. LATTA. Mr. Speaker, will the Chair rule on my point of order?

The SPEAKER pro tempore (Mr. BOLAND). The gentleman from Massachusetts will confine his remarks to the point of personal privilege.

Mr. CONTE. Mr. Speaker, the gentleman from Oklahoma certainly has abused the prerogatives of the House. He doubted my sincerity by saying that I have "horned in" on this thing, when I collaborated with him at one time in offering the $20,000 limitation, which is costing the taxpayers of this great country over $4 billion a year, paying a farmer over $4.5 million a year. I think this is a serious subject and it should not be taken lightly. I yield back the balance of my time.

Mr. MADDEN. Mr. Speaker, a point of personal privilege——

POINT OF ORDER

Mr. ABERNETHY. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman from Mississippi will state it.

Mr. ABERNETHY. I suggest that the procedure on a point of personal privilege is to submit the words to which there is objection by the Member who wishes to make the point, and then the Chair rules and determines whether the point is well taken. The gentleman is then entitled to an hour but only after a favorable finding by the Chair.

The SPEAKER pro tempore. The Chair will state to the gentleman from Indiana that his point comes to late.

Does the gentleman from Ohio desire to yield time?

Mr. LATTA. I yield 30 seconds to the gentleman from Illinois (Mr. ARENDS).

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the words of the gentleman from Oklahoma "the other guy" be stricken from the RECORD and that there be inserted in lieu thereof "the gentleman from Massachusetts."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONTE. Mr. Speaker, I withdraw my point of order.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 18546, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. POAGE) will be recognized for 2 hours, and the gentleman from Oklahoma (Mr. BELCHER) will be recognized for 2 hours. The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is generally recognized, I think, that agriculture desperately needs some kind of legislation if it is going to continue to supply the needs of the American consumer. Agriculture has supplied the needs of the consumer very creditably in recent years.

The gentleman from Missouri cited some very significant figures. They were correct but I believe they are a year late. It just shows what a good job we are doing. We are doing a good job. Last year the figures were 17-plus percent as suggested by the gentleman from Missouri. It is now only 16.5 percent of the disposable income of the average American family which is spent at the grocery store, and that is all. That is lower than the percent spent in any country in the world or any time in the history of this world.

We must have a rather effective agriculture if we are able to feed our people for that small percentage of their income.

As the gentleman from Missouri pointed out, the cost of the food is not the only thing which should be involved, but it is an important factor, and it is a factor which, as I said, pays the highest possible compliment to the ingenuity, the ability, and the hard work of the American farmer.

I think it also pays somewhat of a compliment to the ingenuity and the intelligence of this Congress in passing the legislation under which we have operated, because we have been doing at least a better job than anybody else has been doing. I hope we can do even a better job. I hope this bill lays the foundation to do an even better job. This bill does some of those things which almost all of us have said should be done.

For a long, long time we have been criticized for making payments not to cultivate land and not to produce, and there have been a great many jokes told about the Government payments for not producing this, and for not producing that and the other. We have used that technique of not producing, but we have been gradually growing out of it over a long period of time.

Do Members recall when we actually killed little pigs and plowed up cotton? Do Members know when that was? It was the fall of 1933. We have not killed any little pigs since then and we have not plowed up any cotton since then.

But half the people in my district still believe that the farm program still pays for killing little pigs and plowing up cotton. That was 37 years ago, but the story still hangs on.

It is true that for many years we have made some payments for not producing certain types of crops. We have gradually reduced such payments over the years since 1933, until now we have practically abandoned this practice, and with the passage of this bill we will cut loose from all of this with one little minor exception—in feed grains. There is a provision in this bill that if the Secretary finds he has to retire an excessive amount of feed grain land, that he can make payments for it. He cannot pay for wheat and he cannot pay for cotton retirements, but he can pay feed grain producers in Illinois. He cannot pay anything for retiring cotton land under the terms of this bill.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, the gentleman from Texas says we will cut loose, or the land will be cut loose for general planting with less restrictions. Am I not correct that there is language in the bill which gives the Secretary the authority to delay this cutting loose until the third year? Am I not correct that there is language in the wheat and feed grain sections which permits him to regulate the percentage of certain areas so as to effect an orderly transition, as it says in the bill, but this would give him the latitude actually to continue the Agriculture Act of 1965 for the next 2 or 3 years.

Mr. POAGE. I do not so understand it. It does give the Secretary the time to make the orderly transition, but I know of nothing in the bill that gives him authority to make any land retirement payments except in connection with this very minor item, which ought to be of great importance to the State of Illinois.

Mr. FINDLEY. But he can fix limits on the planting of feed grains and on planting of cotton and wheat on the same basis as the Agriculture Act of 1965. Is that correct?

Mr. POAGE. He has indeed the authority under the grains sections to make certain payments.

They will be minimal. They will be small. But they will be only in the case of feed grains or wheat.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentlewoman from Washington.

Mrs. MAY. I believe we might clarify this, since I have a copy of the bill in my hand. The exact language is on page 12 of the bill, line 16:

> The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat.

And this is the same language in the feed grains section—

> On the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section.

Mr. POAGE. That is true, and there is not any other place in here for land retirement payment.

All I say is this is a very, very minor provision. The crux of the thing, which I want all of us to remember, is that with passage of this bill, for all practical purposes, we will have abandoned the old philosophy of paying for not planting. The payments under the terms of this bill are going to be on production, and not on land that is not producing.

The payments are going to be on the production of this land, and on that percentage of the production which is used at home—domestically consumed. The payments are not going to be made on exports. The payments will be made on what is used at home.

If that is not a consumer subsidy I have never seen one. I am sorry that none of the consumer audience, usually over here, is present. The profesional spokesmen for the consumers are not here today.

I would call attention to anyone who will carry the word to them that this bill makes payments only on that portion of production which is to be consumed at home. That reduces the cost of living at home. That does not pay somebody for not growing. It pays him for growing. It pays him for what he can produce and put on the domestic market. That is as direct as we can make it in the way of helping consumers.

I want to get it very clear that the great thrust of this bill is to help consumers.

I believe it always helps producers when we provide a market for their products. I believe that when we can help the consumers buy the food we have helped the producers who have to sell. That is a good combination.

That is what this bill does. But I believe it is unfair when certain Members will get up and make the statement, as some of those who are not here today will tomorrow, "Oh, you are taking this money away from the consumers and you are giving it to those wealthy producers." Most of them are making, according to the U.S. Census Bureau, just about two-thirds of what the people in the cities are making. That is their income.

But those are the people who will be helped by this bill, to the extent it helps producers to create a market. I think it will help producers and consumers, and to that extent it is highly desirable.

Now, why is it we have to help the producers of farm products? Why do we have a farm program at all? We have a farm program because for a great many years, even for some 7 or 8 years before the great depression, beginning after the year 1921, from about 1921 down to the present time, the market place has not provided enough in the way of payment for farm production to pay the cost of producing these things.

Down in my country where cotton is an important crop, all of the figures indicate that it costs somewhere between 28 and 32 cents to produce cotton. It will cost different amounts for different individuals just as it will cost different amounts for different corn farmers to produce corn. But the world market on cotton hit about 22 cents in recent years. Well, no farmer can stay alive at that price long even if he was just getting that market. He has to have something additional. But you say, "Oh, the Government ought never to step in and make up any of the difference."

Let us see now. Let us see about transportation. I submit that there is not a single form of public transportation in the United States today that is not subsidized in some form or another. Then you say, "Oh, the railroads do not get anything." Well, the railroads got 1 acre out of every 10 acres in the United States. It was deeded to the railroads to help them get going, and they still have a whole lot of it.

The trucks operate over publicly built highways. The barges operate over publicly built waterways. The airlines, some of them, are not receiving a direct subsidy today, but they all have at one time or another, and most of them are right now receiving the benefit of publicly built terminals and publicly built navigation aids, all paid for at the expense of the public.

Take overseas transportation. What about the maritime bill? We voted on it about 2 months ago—I voted for it, and I do not believe there was a single vote against it—a bill that provided a subsidy for building oceangoing vessels. The U.S. Government paid 55 percent of the cost of building these vessels and then paid half the cost of operating them after they got into operation. We did all of that so that we might have these facilities which we think the public needs. I think they need them, too, and we pay these subsidies so that we might have these facilities and still maintain an

American standard for those who work in those forms of transportation.

Now, is it more important to provide transportation or is it more important to provide for the production of food? I think production is far more important than transportation, but we have long since recognized that we must subsidize transportation if we are going to have the transportation we need. I am not condemning the transportation subsidies, but I am merely pointing out that in this modern world the farmers are no different from other segments of our economy.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. ABERNETHY. I simply wanted to point out that some airlines also receive a direct cash subsidy, that is, feeder airlines.

Mr. POAGE. Many of them do. Many of them do. They are receiving hundreds of millions of dollars of cash subsidies.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. And the railroads and other forms of transportation. They have rates that are fixed by the Federal Government which provide presumably for a net profit and a reasonable return on investment added to the subsidy.

Mr. POAGE. That is correct. That is the typical utility theory. They work on percentages. The utility theory holds that a company providing a public service should be assured of a fair return. It goes to a great many companies like gas companies, electric light companies, telephone companies. I am not again condemning the utility theory.

Mr. GROSS. I am not, either, but I am simply pointing out that no one guarantees the farmer a return on their investment.

Mr. POAGE. I believe so. I believe the gentleman is right.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I cannot yield now. I will be glad to yield at various times in the course of the next 2 or 3 days, but I think I should proceed here now and discuss this bill rather than discuss some of those headline-grabbing proposals which the gentleman is so prone to present to us.

Mr. FINDLEY. My question related to——

Mr. POAGE. No; I do not yield further. I want to discuss this bill in my own way, if the gentleman please.

I think it is very important to think about this bill from a standpoint other than merely who is going to get the credit for something. I think we have been trying to do a good job to help the farmers, and I will continue to try to help the farmers so that they can help us all.

If we are going to discuss this question of limitation of payments which is so attractive to so many, I would point out the I think it is bad. I have voted against it right along, I think it is a bad proposal, because it is just like trying to say to the man who owns a number of low-rent houses in some big city, and you have an urban renewal program of some kind going on, and you need to take 100 houses from one landowner, and for that you would pay him only $20,000, no matter how many houses he puts in, no matter how much he contributed to the slum clearance of the city, you would not pay him any more than $20,000 because after all, he ought to be able to live on $20,000.

Now, of course, we are not talking about what anybody is going to get to live on. We are talking about making a good program work. We are talking about inducing enough people to go into the program which we need to balance supply and demand, so as to maintain the maximum degree of production at the minimum cost to the Government. That is what we are trying to do. And to the extent that we can keep supply and demand in reasonable balance we do provide for all the needs of the people, and we do it at the smallest cost that we could hope to do it with.

But if you do not give any encouragement to the large producer, to the large farmer, if you give no encouragement to him to get into the program he is not going to get into it, he is not going to participate in the program, unless he feels that it is advantageous to him. Now we are trying to make it advantageous to all our farmers because, after all, when it comes to balancing supply and demand it does not make any difference whether you take water out of a spigot or out of the bung hole. You can take a barrel of water and you can dip out of it with a 1-pint cup 100 times, and you will get the same amount of water as if you took a 10-pint dipper and dipped out 10 times—there will be exactly the same amount of water taken from the barrel. It is the same with agriculture, whether you take this balance from a few large farmers or whether you get thousands of small farmers to provide the balance.

But by the time you forced all of this balance of the small farmers you do them a grievous injustice because you can put the small farmers out of business by taking too much of their land for balancing purposes, even though you pay them. You would still take too much of their land, they would still have to go out of agriculture. Whereas, the larger farmer can continue in business.

So we try to take from those where it will hurt the least.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I will yield to the gentleman in just one moment.

But let me make this point clear, because so many have overlooked it. In recent years we have had a program, and I again refer to cotton, but there are similar programs for wheat and feed grains, that has required a certain retirement. It has only been 5 percent in the last 2 years or 3 years for cotton, but it allowed the retirement of 35 percent on which these farmers could get paid. Now, did they retire all of the land that they could have? Did they retire all of that land on which they could have received payment? We have been told these payments are some sort of a gift; that these farmers are getting greatly enriched. If they are being greatly enriched, is it not logical that they would retire all of the land that they could if it was really profitable? But did they retire all they could? We have received the figures from the Department of Agriculture in 1968—which is the last year for which I actually have them—and they retired exactly 50 percent of what they could have.

They could have retired twice as much as they did and would have been paid for it. But they did not retire it because they did not think it was profitable. In other words, only half of the farmers thought it was profitable—and only half of them used their maximum.

I think that pretty well illustrates that the farmers as a whole did not think that they had something on which they were getting immensely wealthy.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Washington.

Mr. ADAMS. I thank the gentleman because I have been sitting here listening to his remarks. I guess I do not speak for the consumers but I will try to pass the word on to those who do.

Mr. POAGE. Thank you.

Mr. ADAMS. I am worried about this question, the point that the gentleman has made on supply and demand and that is why I rose to my feet.

I understand that a number of farmers and farm organizations are opposed to any farm bill on the basis we ought to have a free market and they should be able to charge what they want and to produce what they want, and let supply and demand do it.

That is one group of people who come in and oppose these bills.

There is another group who say that we are putting all kinds of Government money into keeping up prices of a product, which then the consumers have to pay more for.

So what I am trying to get from the gentleman, and my question to you is—Do you think we should have a free market? If we did, as the gentleman suggested, would not supply and demand balance out the prices and they would drop to a level so that the farmers would receive a return on their investment and production would then match what was required?

I know that sounds overly simplified and I might state to the gentleman that I am not completely unfamiliar with farm problems because I grew up during my boyhood on a farm in Iowa and I remember when they refused in a referendum to go into the program because they did not believe that anybody would pay them more than what the market was worth.

I wish the gentleman would answer that question for me. You just mentioned cotton—I notice that production is going up on cotton and if we were not to subsidize it or if we were to limit subsidization to small farms to keep people on them, would not then, with the larger farms, and with the law of supply and

demand set a price and set the production.

Mr. POAGE. I will try to answer the gentleman's question because I think it is a perfectly fair question.

I do not think you are going to get it in our economy, as it now stands—an economy in which the farmers sell in a basically free market and buy in a completely controlled market.

By that I mean that the farmer sells his products—nobody buys them. The farmer goes out and sells them for whatever he can get.

When the farmer goes into a store, whether it is a grocery store or a hardware store or a gasoline filling station, he buys at a price that the other fellow fixes.

Under that situation, I do not think it is reasonable to assume that if we had no programs at all that the farmer would be able to get a price that would pay him enough to continue in business. I think that the great mass of the farmers, by number, that is possibly 95 percent of them, who produce possibly not more than 50 percent or even less of our total production, would be forced out of business in a very short period of time.

There would be a few super farms, that is, industrialized farmers who would stay in business. They would be those who have a bankroll which would enable them to live over a few years of low prices. But, by the time 3 years were up, the great majority of the farmers would be out of business, and let us say, 100,000 large farms would still be in business in the United States. I think they would be able to get together very much like the automobile manufacturers do, and set their prices. Instead of paying 16½ percent of their disposable income for groceries, the housewives would pay at least 30 percent. That is what would happen, as I see it.

The suggestion is made that if farm prices go down, the farmer should shift around and produce something else. That is what the Farm Bureau tells us, I know. They say that the farmer should shift around and find something that is profitable. But what is it that is profitable? I do not wish to ask the question of the gentleman, who has said that he does not claim to know about agriculture, but I see gentlemen right behind him, on either side, both of whom are agriculturists. What crop is there that the farmer can turn to?

Surely you can apply these limitations. You can put a lot of cotton farmers in the San Joaquin Valley out of producing that crop, but what will they grow? Why, they will grow grain, of course. They will grow grain instead.

You can put a lot of farmers in Arkansas out of cotton and they will grow soybeans. But you cannot tell me what they can grow that we need or what would be profitable to them. Should they turn to rye or should they turn to oats or some of those crops? We have an abundance of those things now. If you shift from one of the major crops into another major crop, you simply change the form of your problem and do not change the problem at all. That is what we are faced with. Yet none of us wants to actually finally reduce the capacity of America to produce food. We want to retain that capacity because we expect an even larger population than we have today.

If farmers had no greater capacity to produce food today than they had even 20 years ago, we could not have our great cities. There would not be enough food to feed the people living in them, and the people would have to move to farms. You would have to reduce the production per individual to increase the production per acre, as many parts of the world have to now. We in the United States are now trying to increase our production per individual, the man working, the individual, because we have the acres to provide him with his needs.

Mr. ADAMS. I thank the gentleman for yielding. The problem, as I see it, is that the number of farmers has been steadily decreasing even though we have had these programs. I am worried about people being pushed off the farms. I think some of us even would consider—the gentleman mentioned subsidies to transportation and so on—we would consider some type of direct check to farmers of $5,000 to $10,000 apiece, or maybe even a higher amount, to match what we are spending on subsidies, and let them grow what they wanted, because in that way we might be able to get some compromise and solution to the problem. The sudsidy program does bother some of us because we accumulate surpluses under it, and I do not think it was ever the intent to accumulate surpluses with subsidies.

I thank the gentleman for yielding.

Mr. KUYKENDALL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. KUYKENDALL. In line with the implication of the gentleman from Washington, and I am afraid that we hear this on the floor of the House a great deal because people are not informed, the gentleman mentioned agriculture 20 years ago. I have before me a record that shows commodity prices, that is, the price received by the farmer in July of 1950 compared to July of 1970, a period in which wages have gone up 131 percent in this whole country. Yet, as shown by the statement, the price of corn has gone from $1.44 down to $1.24; the price of wheat from $1.99 to $1.23; the price of cotton from 39 cents to 22 cents; and the price of soybean oil from 13 cents down to 11 cents. The farmer is getting less money today. Yet we hear on the floor of the House about the rising cost of farmers' products. That increased amount simply is not going to the farmer. He is getting fewer dollars today than he did 20 years ago. I would like to see any person in this Chamber face one of his labor unions and suggest that they take cuts like those which the farmers have taken in the past 20 years.

Mr. Chairman, I include the statement to which I have referred:

AVERAGE HOURLY EARNINGS (MANUFACTURING GROSS EARNINGS FROM THE EMPLOYMENT AND EARNINGS PUBLICATION, BUREAU OF LABOR STATISTICS)

April 1950	April 1970	Overall increase (percent)
$1.434	$3.32	131.5

	1950 (July)	1970 (July)
Corn	$1.44 per bushel	$1.24 per bushel.
Wheat	$1.99 per bushel	$1.23 per bushel.
Oats	$0.76 per bushel	$0.58 per bushel.
Cotton	39.11 cents per pound.	22.65 cents per pound.
Soybeans	$2.93 per bushel	$2.72 per bushel.
Cottonseed	$52 per ton	No quote (March: $47.10 per ton).
Beef cattle	$24.40 per hundredweight.	$27.90 per hundredweight.
Hogs	$20.90 per hundredweight.	$23.90 per hundredweight.
Soybean oil	13.10 cents per pound.	11.40 cents per pound.
Cottonseed	15.20 cents per pound.	14.20 cents per pound.

Mr. POAGE. The gentleman from Tennessee is so correct. There is no other group in America that I know of that has taken reductions in the prices of their labor or products thereof than the farmer has taken—actually less than he got 20 years ago when all of his costs were lower.

All we are trying to do with all this legislation is to try to enable the farmer to continue to operate. We are not even going to try to tell Members we should keep him up where he should be. We are not even trying to keep him as high as we would like to keep him.

I know some will say we did not maintain the parity feature in the bill. When we reach section 2, it ties the price support to parity. I believe the next thing is wheat, and it ties support to 100 percent of parity. So it is unfair to say we have abandoned the parity principle. We have not abandoned it at all. We have not carried it to the extremes many of us would like to have carried it. We have not carried it as far as I would like to. I would like to have peaches and cream all the time, all year around, but I cannot afford it, and we cannot afford everything we would like to have in this bill.

This bill does not give us everything we would like to have, but it gives us a great deal.

It gives us some red beef for dinner, and I think that is rather important. I think it is rather important that we have the basics, and this bill gives that to us. I am afraid that by looking at the reflection in the creek, we are going to drop the meat we have in our mouth in the effort to try to take something away from that reflection.

So we did not go as high as some of the farm organizations wanted us to go or as most of us wanted to go. We did not go as far toward tearing everything down as one of the insurance companies wanted us to go. We did not go as far as tearing everything down because we have not destroyed all the programs.

We do contemplate putting into agriculture approximately what we have been putting in in terms of dollars. This is what the Secretary has told us it will be,

approximately the same input into agriculture as we have had in the last several years—about $3 to $3½ billion a year. So we do not have a bill here that changes the whole foundation of things, but we have a bill that will enable the farmers to continue in large part to farm.

I hope the membership of this House will recognize that if we deny those farmers the right to farm, the housewife over the country is going to find it extremely difficult to provide for our dinners.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman from Texas for yielding.

Mr. Chairman, before I pose my question, I want to say that I as one Member of this House congratulate the chairman for his leadership and the committee for the many months they have put in on this bill.

In my remarks on the rule I said this is the first time in my memory that we have had a bill of this magnitude formulated in the committee and not sent down by the Department. The committee has done its job in doing this work for the House, and as one Member I want to congratulate the committee for doing that.

I want to ask a question about the matter of dropping the Commodity Credit stocks. We have had a quite a discussion over the years in the committee and on the floor about "out of condition" corn being dumped—and I am putting "out of condition" in quotation marks—and other commodities being dumped by the Secretary of Agriculture and its depressing effect on the market.

Is there some change in this bill about the amount or the cost or the price whereby these stocks can be dumped? Has there been any change?

Mr. POAGE. The basic change in this bill in connection with what the gentleman is referring to, instead of relying upon the loans as a basic method of supporting the price, this bill relies almost entirely—not entirely but much more heavily, let me say—than we have in the past—upon the payments, the additional prices of the domestic-consumed proportion of the crop, so that very few commodities will be purchased by Commodity Credit Corporation under this program. There is no opportunity to make the extensive purchases here that existed under the previous legislation. Consequently, if we acquire less of these commodities, we are going to have smaller stocks. When it comes to dealing with those stocks, I must state it is my understanding that this bill contains the same provisions for the sale of stocks that we have had in the past—that is, we have to get $1.15 plus carrying charges for certain commodities.

Mr. LATTA. Mr. Chairman, the gentleman is saying that under the provisions of this bill, if they are carried forward, we will not have Commodity Credit Corporation stocks dumped.

Mr. POAGE. I will not say we will not have any, but I will say that we cannot possibly have such large Commodity Credit Corporation stocks.

Mr. LATTA. There is one further thing which I believe needs to be pointed out about the so-called payments. Regardless of the amount of the payment, I believe the public has been led to believe that this is net to the farmer. It is not net at all.

Mr. POAGE. Certainly not.

Mr. LATTA. If he gets a payment of $10,000, the cost of production will have to come out of that. This is not all "gravy."

Mr. POAGE. Had these payments been net to the farmers, certainly every cotton farmer in 1968 would have put in all the land he could. As a matter of fact, they put in only 50 percent of what they could have put in and drawn payments on. I believe that is conclusive evidence that the payments are not profit or net payments but, on the contrary, are payments from which substantial costs must be paid.

Many farmers figure they are not worth the cost.

Mr. LATTA. I thank the gentleman for his statement. I believe some misinformation has been spread across the country that this is all "gravy" and net to the farmer; and it is not.

Mr. POAGE. It is not.

Mr. MIZE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. MIZE. I believe the gentleman is doing an excellent job of explaining how the consumer is as much the recipient of the benefits of this type of legislation as the farmer himself.

Is it not true that Americans consume about 530 million bushels of wheat each year? This wheat is processed into flour and made into bread, cake, and so forth.

Mr. POAGE. That is correct.

Mr. MIZE. The fair market value of 530 million bushels of wheat is about $1.5 billion as adjusted by the parity for the cost of production and the cost of living in the United States. If the farmers were to be able to collectively bargain for the sale of this needed 530 million bushels of wheat we consume in this country each year, the absolute floor price would be about $1.5 billion, but the American consuming public pays only about $870 million and Federal Government pays the remaining $615 million through this type of legislation. Without this consumer subsidy element of this bill, for those items which the housewife buys made out of flour products, made out of wheat, she would have to pay that extra $615 million, is that not correct?

Mr. POAGE. I would think there is no question about it, because that money has to come from somewhere.

Mr. MIZE. Exactly.

Mr. POAGE. It has to come from somewhere. If it is not provided in the subsidy then it must come out of the market, if we are to continue to get the wheat. We could get it for 2 or 3 years. We would take it out of the farmers' hide for the next 2 or 3 years, and certainly many farmers would stay for awhile. When the time came they could not, of course the whole cost would go up.

Mr. MIZE. I thank the gentleman.

The CHAIRMAN. The gentleman from Texas has consumed 40 minutes.

Mr. BELCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. PRICE).

(Mr. PRICE of Texas asked and was given permission to revise and extend his remarks.)

Mr. PRICE of Texas. Mr. Chairman, for over three decades, the Federal Government has been actively and intimately involved in American agriculture. As a natural and predictable result of this involvement, the farm economy has become greatly dependent upon Federal assistance for survival. Accordingly, the Federal Government has a clear obligation to help maintain the well-being of this segment of the Nation, in much the same fashion as it assists other segments of society.

The Government is quite concerned about the well-being of other groups in the Nation. In the past 18 months it has provided payment increases of 15 percent for social security recipients—with an additional 5 percent planned; 15 percent to recipients of railroad retirement benefits; 10 percent for veterans compensation; 6 percent to Federal employees—with an additional 8 percent planned under postal reorganization; 50 percent to welfare recipients—recommended; and grants for education, hospitals, schools, airports, country clubs,

Yet despite its largesse to other groups, the Federal Government has neglected to adequately maintain the income of the American farmer. I believe he is entitled to the same benefits as are granted to other segments of society; justice and fairness demand nothing less.

Part of the reason why the farm sector has not received its fair share of Federal benefits is that an increasing number of individuals lacking agricultural backgrounds are being elected to Congress. While this certainly reflects the Nation's population shifts, it renders Congress less than fully able to appreciate the complexities of American agriculture and the central role it plays in our national life.

The changing political composition of Congress is reflected in the Agriculture Act of 1970. On the whole, I think the House Agriculture Committee has reported out a basically workable farm program that will help promote a certain measure of vitality in the agricultural sector at a reasonable cost to the taxpayer. I have, however, grave reservations about that section of the bill which would limit farm payments to $55,000.

Since coming to Congress I have consistently opposed limiting Federal payments to any one farmer, farm, or commodity. Based on my life-long association with agriculture, I am of the firm conviction that payment limitations and a healthy farm economy are mutually exclusive. I still hold to this position despite the committee's action. I fear this is a false economy, one that will dislocate the farm sector in significant respects. It is, however, a cutback that will not prove disastrous to the farm program provided Federal payments are not further limited by Congress.

Perhaps a strict payment limitation could be justified in a farm economy comprised of small individual production units; but, the unadorned fact of the

matter is that this Nation's agriculture sector is not so comprised, and has not been for over two decades. The United States, once a nation of small family farms, has become a nation wherein 40 percent of the farms produce over 80 percent of the country's food and fiber. The reasons for this shift may be summarized in one word; namely, "economics."

Farming, like other areas of the economy, has been beset with rising costs for land, labor, and capital, as well as shrinking profits from farm production. The extent of this condition is aptly illustrated by examining the economic changes in key areas over the last 10 or so years. Since 1959, the average value per acre of land has increased 83 percent. Land values themselves have risen 70 percent. Variable costs of farming and ranching have skyrocketed as well. During the last 7 years the investment in farm machinery required for farms and ranches has climbed 79 percent. Annual outlays for fertilizers have increased 64 percent. Feed costs have risen 33 percent.

In terms of fixed capital investment requirements, Secretary of Agriculture Clifford Hardin has stated that the average investment for 200 to 400 acres of land alone might run from $40,000 to $160,000, buildings would probably cost from $20,000 to $40,000, and land improvements could amount to an additional $20,000. These figures are based on USDA findings that the scope of farming has widened significantly in the last decade—in 1959 the average farm contained 288 acres; in 1969 it contained 398. The Department also reports that commercial farms had an average value of $100,000 as of March 1968.

Farming also provides significant underpinning to the economy in general. It comprises the largest single market for labor and industry—it employs 5 million individuals; which is more than the combined employment in transportation, public utilities, auto manufacturing, and steel industries. The agriculture sector consumes $50 billion worth of goods and services each year. Farmers pay more than $4.8 billion alone for tractors and equipment. In addition, they pay an annual transportation bill of well over $4 billion just to move their produce and livestock to market. Finally, farm transportation needs are so extensive that out of the 17 million trucks in America, more than 3 million are used in agriculture.

The conclusion is obvious. Agriculture has become a very significant component in the commercial life of the Nation. This is in addition to its historic role of producing the food and fiber necessary to fuel the dynamic growth of our country.

Mr. Chairman, given the economic realities of today, it is clear that to utilize land, labor, and capital in a successful farming operation requires ingenuity, initiative, and courage. Modern farmers have to surmount many obstacles not faced by their predecessors. They are forced by the very nature of our 20th-century economic system to expand their operations to the most efficient point of production if profit rather than loss is to be their harvest. Yet, their activities are defined and delimited by the amount of food and fiber they are able to sell in the marketplace.

To regulate this process by which the production of the farmer and the consumption needs of the American people are correlated, the Federal Government has instituted massive and complex farm programs. As an integral part of these programs, the Government has offered to make payments to producers of certain crops if in return the producers would agree to limit their production of the crops in question to levels specified by the U.S. Department of Agriculture.

In my judgment, to place a limitation on the amount of payments the Government can make to farmers for reducing their production in prescribed areas, handcuffs the large and efficient producer who expands operations in an effort to surmount the adverse economic conditions prevailing in the agriculture sector. More importantly, payment limitations benefit neither the farm economy nor the consumer of farm products. For, if successful farmers find payment limitations too burdensome, they will refuse to participate in the Federal farm programs. They will utilize their land to full capacity, and plant and harvest in such abundance that the artificial supply and demand system established by the Government to relate agriculture supply to consumer demand will buckle and collapse.

Paradoxically, Mr. Chairman, if the farm program is destroyed as a result of Congress imposing a limitation on Federal farm payments, the ultimate loser will be the American taxpayer; the very person whom the supporters of payment limitations maintain they are trying to protect. At the present time, approximately $7 billion per year in tax revenues goes to agriculture related uses. Of this amount, $3.5 billion is allocated to social uses such as the food stamp program and the school lunch program. The remaining $3.5 billion is spent on the farm program itself. The $3.5 billion in tax revenues enables the agricultural sector to produce almost $90 billion worth of food and fiber each year. Yet, the taxpayer-consumer spends only 16 percent of his disposable income to purchase this abundance; a bargain unparalleled in the world today.

This fortuitous condition wherein American agriculture produces the greatest variety of rich and wholesome farm products in the world at a cost to the American consumer that is lower than at any other time in our Nation's history is only made possible through the creative partnership between the public and the farming sectors. It is a partnership that works. It is a partnership that is reasonable in cost. It is a partnership that should not be lightly discarded.

The following letter to the gentleman from Oklahoma (Mr. BELCHER) is the position of the President in regard to limitation of payments and the committee bill:

THE WHITE HOUSE,
Washington, August 4, 1970.

Hon. PAGE BELCHER,
House of Representatives,
Washington, D.C.

DEAR PAGE: The Poage-Belcher farm bill reported to the House by the Agriculture Committee is good legislation. I hope it will be enacted promptly, and with minimum change.

The proper payment limitation would seem to me to be peculiarly within the province of Congress, and I will, of course, abide the Congressional judgment. For my part, I subscribe to the analysis by your Committee and the Secretary of Agriculture. Both advise that too low a limitation would make it impossible for many farm producers to participate efficiently in the program. It would poorly serve the country to develop a farm program, then impose so severe a limitation as to impair its effectiveness.

Secretary Hardin and a bipartisan majority of your Committee therefore recommend $55,000 as the limitation. I am aware of the widespread desire for a much lower figure, and it is easy to share that desire. However, I must agree with Secretary Hardin that in present circumstances this could be harmful to the constructive farm program which your Committee and the Department have so painstakingly evolved.

You may, therefore, inform your colleagues that despite the obvious appeal of a lower limit, for these technical reasons I must prefer the limitation proposed by your Committee.

Sincerely,

RICHARD NIXON.

Mr. BELCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, 2 years ago last week, on July 31, 1968, to be exact, this body had under consideration basic farm legislation. At that time, the issue was whether or not we were going to extend the Food and Agriculture Act of 1965 and whether or not, if we did, for 1 or for 4 years.

On that July day 2 years ago it was finally decided by the House that with the inclusion of a $20,000 per person limitation on payments, the bill should be extended for 1 year, through December 31, 1970. In going back to the record of that debate it was interesting to me to find a common threat of argument from both sides of the aisle. From solid supporters of the act of 1965 to those who had voted against its original passage came the plea of "give us 1 additional year of time so that we can come up with legislative changes that will make the farm bill more acceptable to the farmers and taxpayers of the Nation." I did not agree with that argument and opposed the 1-year extension, feeling that it served no useful purpose.

We are here today considering a bill which, when stripped of a few of its new legislative bangles and beads, stands as a poor copy of the Food and Agriculture Act of 1965. Like the 1965 act, this bill would continue expensive compensatory payment programs. It is estimated that in excess of $10 billion would be spent over the next 3 years on three of our most important crops; that is, wheat, feed grains, and cotton.

You will note that I said over the next 3 years, because that is the life of this bill. Going back to the debate of 2 years ago, I find that at that time opponents of a 4-year extension thought they had killed a bear when they got the $20,000 payment limitation added and held the bill to a 1-year extension. What a hollow victory that is now. Those opponents lost their payment limitation in conference that year and are now being offered the other 3 years of the original 4-year plan.

But back to the bill before us. Like the

1965 act, it will preserve farm allotments and bases as ineffective instruments of governmental supply management.

Like the 1965 act, this bill continues the concept of low market prices for the producers of three major crops.

Like the 1965 act, this bill will, when it expires in 1973, cause farmers again to be confronted with old and unworkable programs that are imbedded into the archives of the permanent farm law.

And like the 1965 act, this bill before us will continue the hopeless patchwork of crop control and subsidy programs which have wasted so much of the public treasure for so long, while never really helping farm people adjust to modern technological change.

You will be told, of course, that this act is different and that changes have been made. Yes, changes have been made, but they are more in sound than in substance. No matter what the program of acreage retirement is called, whether "set aside" or some other retired acre designation, it all represents acreage taken out of production. Furthermore, direct payments are the same, whether considered as income supplements or as acreage diversion. The results are the same, with farmers being made ever more dependent for their income on a check out of the Federal Treasury at heavy cost to the taxpayer.

Inasmuch as the spotlight of this bill falls heavily on the three major crops of wheat, feed grains, and cotton, one automatically wonders what crop is getting the best deal. If one is talking about dollar outlays in comparison to the importance of the crop, cotton is king. About $800 million per year will go to farmers involved in the production of 12 million acres of cotton. A like amount will go to wheat farmers growing nearly four times that many acres of wheat. And around $1.6 billion, or double the cotton money, will go to corn farmers planting some 60 million acres. This figures out to a direct Federal subsidy of about $66 for every acre of cotton produced, $26 for every acre of corn produced, and $18 for every acre of wheat to be produced. Yes, cotton is still king.

When one sees where the money is going, he knows cotton is king. According to USDA figures, payments to Texas farmers in 1969 totaled $501,905,837, of which more than half was for cotton. In the same year Pennsylvania did not have a comparable beneficial effect in the payments area, for Pennsylvania farmers received payments amounting to $27,866,192.

After noting this $475 million difference between my State and Texas, I decided to do a little simple arithmetic to see how many States it took to match Texas in payments. By adding the total 1969 payments going to farmers in the 17 adjoining States to Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennslyvania, Delaware, Maryland, West Virginia, Virginia, Kentucky, Indiana, Ohio, and Michigan, I came up with a total of $459,439,476. This is still more than $40 million less than the single State of Texas.

The 17 States just mentioned contain, according to the 1964 census of agriculture, 797,218 farmers. Texas had 205,110 farmers. In 1969 gross farm sales in the 17 States were $8,317,000,000, nearly four times as much as Texas' gross farm sales of $2,669,000,000. Yet Texas farmers got more Government payments than went into the 17 States combined.

Now let us look at congressional representation. The 17 States I named have 193 House Members, while Texas has but 23. In the other body of the Congress, Texas is outnumbered by the 17 States by 34 to 2.

I am not here today to fight Texas, Texas farmers, or my colleagues from Texas. Last year I took a trip to Texas and really enjoyed the famed Texan hospitality. I am also not hear to suggest that since the 17 States concerned have 10 times more Congressmen than Texas they should get 10 times as much in payments. That would be the politics of equal shares, which is alien to our form of government and my way of thinking. I am here today to call upon each of you to vote to put an end to these programs which threaten to destroy American agriculture.

Some of my colleagues will argue, of course, that agriculture is just as entitled to subsidies as are the railroad and shipping industries. I offer this word of caution. If subsidies lead our farmers into the same dead-end alleys into which they have taken our railroads and shipping lines, then we should take a wide berth of them.

The hour is getting late for saving our maritime fleet, just as it is getting mighty late for the railroads. It is not, however, too late to change the course of events for American agriculture. It is time to recognize farm payments for what they are, an inept mechanism that fails to deal efficiently with the problems of the average American farmer and imposes a heavy cost burden on the back of the American taxpayer.

In summary, I feel as was stated in the minority report on this bill signed by my colleague, Mr. TEAGUE of California and me:

> This multi-billion dollar extension of the costly and ineffective failures of the past should be rejected by the House in order to set the stage for meaningful and long-overdue reform of our farm program.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Iowa.

Mr. KYL. Mr. Chairman, generally speaking, farmers in our area of the country and in all production are in the same boat.

The gentleman in the well has one of the country's foremost orchards. He has lovely orchards in the State of Pennsylvania. Would the gentleman from Pennsylvania recommend to a young man today to start in the orchard business?

Mr. GOODLING. Under our present system of agriculture I would not recommend to any young man that he get into any branch of agriculture.

Mr. KYL. Mr. Chairman, I thank the gentleman.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I will have some comments to make later, but now I would like to commend the gentleman from Pennsylvania for what he has had to say and I associate myself with his remarks.

Mr. BELCHER. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington (Mrs. MAY).

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, at the risk of being prosaic, I thought I might direct at least a few of my remarks to the actual contents of the bill that is before us today. Before I do that, I might say to the gentleman from Pennsylvania, who just preceded me in the well, that I have one or two comments on his remarks.

In his comparison of the amounts of money for various agricultural payments that go to the States in his area versus those in Texas, it rather reminds me of how often I am asked as a representative of the eastern part of the State of Washington about why I have so many dams in my district. I say, "Well, it is simply because that is where the Columbia and the Snake Rivers are." We have to look at our payments by region in connection with where the great food production of this country comes from, where the commercial growing areas exist for wheat, feed grain, and cotton.

Second, I quite agree with my highly respected colleague, the gentleman from Pennsylvania, that our goal should always be to have a farm program that is equally acceptable to the farmers and to the taxpayers. I can only say to the gentleman that for 12 years I have been working for just that magical combination. I would have liked to ask him if he felt it would be possible for our House Committee on Agriculture to have passed a bill that pleased the majority of the farm groups that were working with us; and at the same time have it acceptable to the taxpayers and the majority of this House. This, of course, has been the basis of the whole problem as we worked on this bill for the many months behind us.

When the new administration took office last year, the need for new farm legislation was clearly defined. The Food and Agriculture Act of 1965 had been temporarily extended for an additional year, and would expire at the end of the 1970 crop year. It was recognized that a new farm bill would definitely be required, since the alternative—reversion to the old, permanent law—would have disastrous effects on the U.S. farm economy.

It was also recognized that no one group could, by themselves, obtain passage of a new farm bill. It was clear that the administration, Republicans and Democrats in Congress, the farm organizations and others, working individually and on their own could never hope to marshal sufficient support in the Congress to enact a bill of their own choosing. But, working together, it might be possible to develop compromise legislation

which could receive congressional approval.

Farm programs had increasingly come under fire from many sources, both from the standpoint of escalating Federal costs and, in the view of some, an apparent failure to achieve the objectives for which the commodity programs were originally enacted. Concern over the size of payments to farmers under the programs had been dramatically expressed in the House of Representatives by the adoption of payment limitation provisions on the agricultural appropriations bill. A growing disposition on the part of many to drastically reduce farm program expenditures or eliminate them entirely, had become apparent.

It was in this environment that the House Agriculture Committee and the administration began working last year to draft a new farm bill. A series of meetings between our committee and Secretary of Agriculture Hardin and his staff was begun. Public hearings before our committee were initiated in July and some 25 days were devoted last year to hearing witnesses describe their views on what approaches new farm legislation should take. Everyone who expressed an interest in appearing before our committee had the opportunity to do so. We heard from all the major farm organizations, from Government officials, and from many other groups and individuals.

Over the months, working together, our committee and the administration first looked at all alternatives open to us—massive land retirement, extension of the present programs, expansion of present programs as proposed in the coalition bill, and a number of other approaches which had been presented to us. Through this process we began to come up with our own guidelines and parameters.

I want to emphasize that all through this period, all major farm groups as well as other interested organizations and individuals were meeting with members of our committee and were given every opportunity to make their views known.

We recognized that the three basic commodities—wheat, feed grains, and cotton—would be the core of the omnibus farm bill. Our Livestock and Grains Subcommittee, on which I have the privilege of serving as senior minority member, held 6 days of public hearings on the wheat and feed grains section of the bill after the full committee had conducted open hearings.

Our subcommittee, after weeks—and months—of deliberation, drafted an approach which appeared to be the best compromise approach to new farm legislation which could be achieved under the circumstances. Further changes were made in full committee, and the end result is the bill we have before us today—a compromise bill about which many of us have some reservation, but which is the best bill possible under the circumstances:

SUMMARY OF PRINCIPAL PROVISIONS

This bill is made up of eight titles which contain the following major provisions (unless otherwise noted, all provisions will be in effect for the next three years):

TITLE I—PAYMENT LIMITATIONS

1. Establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, and feed grains.

2. The limitation imposed considers all payments made for price support, set-aside, diversion, and public access as well as marketing certificates.

3. The Secretary is authorized to adjust set-aside acreage and is directed to issue regulations necessary to insure fair and reasonable application of this title.

TITLE II—DAIRY

1. Clarifies and reaffirms authority for base excess and seasonal plans and extends and amends the authority for the Dairymen's Class I Base Plan in federal milk market order areas. It specifically guarantees competitive access to Class I Base Plan markets by established producers outside the market order area. Appeal procedures under present law remain unchanged.

2. Suspend the operation of the mandatory butterfat price support program for farm separated cream and permits the Secretary to set lower support prices on butter.

3. Extends the Secretary's authority to donate dairy products owned by CCC to the Armed Services and Veterans Hospitals.

4. Extends the Secretary's authority to make indemnity payments to dairy farmers who through no fault of their own have their milk contaminated by and condemned because of the presence of pesticides and residues.

TITLE III—WOOL

1. Extends the National Wool Act of 1954, as amended, through December 31, 1973.

2. Continues the present incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

TITLE IV—WHEAT

1. Suspends the marketing quota program for 1971, 1972, and 1973.

2. Provides domestic marketing certificates to farmers participating in the set-aside program in an amount equal to U.S. food consumption (about 530 million bushels annually).

3. Sets the face value of these domestic certificates at the difference between the wheat parity price (currently $2.82 per bushel) and the average price received by farmers during the first five months of the wheat marketing year (which starts on July 1).

4. Provides for a "preliminary" payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment (if any) would be paid in December. If the Secretary's estimate were too high, no refunds by farmers would be required.

5. Continues the cost of certificates to wheat processors at 75 cents per bushel.

6. Authorizes the Secretary to set nonrecourse loans to participating farmers from zero to 100 percent of the parity price for wheat.

7. Establishes a "set-aside" program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary.

8. Authorizes payments to participating farmers for any additional set-aside acreage and for permitting public recreational access.

TITLE V—FEED GRAINS

1. Establishes a voluntary feed grain (i.e., corn, grain sorghum, and barley) program for 1971, 1972, and 1973.

2. Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between not less than $1.35 per bushel (for corn) and the average market price for the first five months of the marketing year (which starts on October 1 on corn and grain sorghum and July 1 on barley). In no event, however, would these payments be less than 32 cents per bushel for corn (with corresponding rates on grain sorghum and barley).

3. Authorizes the Secretary to set nonrecourse loans at zero to 90 percent of feed grain parity prices.

4. Authorizes additional set-aside and public recreational access payments.

5. Establishes a "set-aside" program under which participating farmers wolud be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

6. Provides for a "preliminary" payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and $1.35 were more than 32 cents during the first five months of the marketing year, an additional payment would be made. In no event would refunds by farmers be required.

TITLE VI—UPLAND COTTON

1. Provides a guaranteed support of 35 cents per pound (middling one inch basis) on the estimated production from 11.5 million acres for the 1971 crop and an equivalent amount for the 1972 and 1973 crops.

2. Makes assistance available to participating cotton farmers through loans and payments. The loan would be 90 percent of the estimated average world price. The payment would be the difference between 35 cents and the average market price for the first five months following the beginning of the marketing year (which begins August 1), but in no event less than 15 cents per pound. No refunds by farmers would be required in the event market prices were greater than 20 cents per pound.

3. Authorizes payments to participating farmers on acreage made available to the public for recreational purposes.

4. Provides for a set-aside of cropland (not to exceed 33⅓ percent of the cotton allotment) as a condition of eligibility for benefits under the program.

5. Establishes a voluntary program under which marketing quotas, penalties, and acreage restrictions would be suspended for three years.

6. Requires participating farmers to plant cotton to receive payments with two exceptions: (a) if unable to do so because of natural disaster or other condition beyond producers' control; (b) if not less than 90 percent of allotment is planted.

7. Allows the sale of cotton allotments within a State, permits the lease of allotments within a State, and provides for the release and reapportionment of allotments during the 3-year life of this legislation.

TITLE VII—PUBLIC LAW 480

1. Extends without change the provisions of P.L. 480 (the "Food for Peace" program) which authorizes donations and long-term dollar credit and foreign currency sales of U.S. farm commodities to underdeveloped nations. Under the Act most foreign currency sales are scheduled to end by December 31, 1971.

TITLE VIII—GENERAL AND MISCELLANEOUS

1. Continues the "Cropland Conversion" and "Greenspan" (long-term land retirement programs) at an authorized appropriation level of $10 million annually for each program.

2. Continues the current exemption from marketing quotas for boiled peanuts.

3. Permits farmers or other land owners who do not desire to hold an allotment on any crop under a government program to voluntarily relinquish it. (This would be a permanent provision.)

4. Establishes an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

THE AGRICULTURAL ACT OF 1970

(Statement on H.R. 18546 by Secretary Hardin)

The Agricultural Act of 1970 approved by the House Agricultural Committee on July 22, 1970 is the result of a bi-partisan effort by members of the Committee and the U.S. Department of Agriculture.

This proposed legislation meets the four basic agricultural goals of this Administration—(1) To protect and improve farm income; (2) To provide more flexibility for farmers in making their own farm operating decisions; (3) Develop greater reliance on the marketplace, enabling producers to become less dependent on government programs; and (4) Balance our supply of agricultural products to the demands of the marketplace and the consumer. At the same time, this legislation would assure consumers adequate food and fiber supplies at reasonable prices without a continued rise in cost to the taxpayer.

EFFECT OF NO ACTION

The need for new legislation for 1971 crops is clear-cut. Current laws expire at the end of 1970, and old legislation still on the books under the 1958 Act is simply inadequate. Under old laws, purchasing power of farmers would be drastically reduced with resultant impact on business and industry. Low feed grain prices would lead to a sharp expansion in livestock and poultry numbers and product prices disastrous to the livestock-poultry economy. This in turn would have a detrimental effect on the thousands of workers employed in farm oriented industries.

Without new legislation, we can look for an end to a balanced supply use situation for grains and cotton, which would result in glutted markets with rapidly increasing Government stocks.

This poses a threat to the farmer and an increasing expense to the taxpayer.

COTTON

If no agricultural legislation is passed by this Congress, the cotton program would be devised under older (1958) legislation. This legislation would provide high price supports but would result in prohibitive prices to consumers for cotton products and a resulting substantial loss in sales for farmers. It would be only a matter of time before cotton would be priced out of the market.

The bill is made up of eight Titles which contain the following major provisions:

TITLE I—PAYMENT LIMITS

Title I of the Bill sets limitations on the amount of payments any individual farmer may receive from the cotton, feed grain, and wheat programs.

Under this provision, a producer could receive up to $55,000 from each program.

This Administration supports the Committee's action on this limitation since it is reasonable and can be administered without seriously affecting the effectiveness of those programs.

TITLE II—DAIRY

Title II of the Act, which relates to dairy producers, amends and extends authority for Class I base plans in Federal Milk Market Order areas.

It specifically guarantees competitive access to Class I base plan markets by established producers outside the market order areas, and leaves appeal procedures under the present law unchanged.

This Title also suspends the mandatory butterfat price support program for farm-separated cream, and permits the Secretary to use discretion in setting the support price on butter together with other milk products. It also extends the Secretary's authority to donate dairy products owned by CCC to the Armed Services and Veteran's Hospitals, and continues his authority to make indemnity payments to dairy farmers.

TITLE III—WOOL

Title III of the Bill extends the National Wool Act of 1954 to cover marketings of wool and mohair through December 31, 1973. It continues the present wool incentive price of 72 cents a pound and the present mohair support price of 80.2 cents a pound through each year of the extension. Payments to producers depend upon prices growers receive in the market place.

The cost of the program is well below the duty collections used for financing payments and is therefore self-supporting.

In the absence of extension of the Wool Act, the only provision for wool and mohair producers is the general price support authority in section 301 of the Agricultural Act of 1949 which previously resulted in large accumulations of Government-owned stocks.

TITLES IV, V, AND VI—WHEAT, FEED GRAINS AND COTTON

Titles IV, V and VI relate to wheat, feed grain, and cotton. Wheat, feed grain, and cotton producers who agree to set aside a portion of their farm from crop production and put it to conservation type uses and who maintain the normal conserving acreage on their farm will be eligible for program benefits.

THE 100 PERCENT OF PARITY

Wheat producers who participate will be assured of a return equal to 100 percent of parity on that portion of their wheat production which represents their share of wheat utilized for domestic food use.

On farms where wheat can be produced more efficiently than other crops, producers can grow additional wheat for the market at prices which will be competitive for world markets, and for domestic feed and industrial uses.

PROCESSOR CERTIFICATES

The cost of certificates to food processors will remain at 75 cents per bushel—the same as in prior years—and thus the program will not contribute to an increase in food costs.

FEED GRAIN GUARANTEES

Feed grain producers who participate will be eligible for payments on a portion of their feed grain production. In the case of corn, this payment will be a minimum of 32 cents per bushel with corresponding rates on grain sorghum and barley. Corn growers will be assured of a return of not less than $1.35 per bushel through a combination of market price and direct payments on about one-half of their normal corn production.

LOANS

Non-recourse loans would be available to feed grain and wheat producers at a level which would make these commodities competitive in world markets. This would encourage expanded domestic consumption and would avoid excessive and costly accumulation of these grains in Government hands.

EARLY PAYMENTS

Under both the wheat and feed grain programs there is provision for making payments to farmers as soon as possible after July 1 of the crop year involved. These early payments would total 32 cents per bushel in the case of corn, with corresponding rates for grain sorghum and barley, and about $1.25 per bushel in the case of wheat.

These early payments would assist farmers in meeting production expenses involved in planting, harvesting, and marketing their crops and in many instances would permit producers to avoid the burden of added credit and high interest costs.

COTTON

For cotton, the Bill would suspend marketing quotas and penalties. Farmers who participate would be eligible for payment on their share of the domestic market and for price support loans on their entire production of cotton. The loan would be at a level which would make cotton competitive in both domestic and world markets.

The preliminary payments will be a minimum of 15 cents per pound. An overall price guarantee of not less than 35 cents a pound would be applicable on a specified portion of their production. The early payment to farmers would be made as soon as possible after July 1 of the crop year involved.

FINAL PAYMENTS

Final payments on wheat, feed grain, and cotton will be based upon market prices for the first five months of the marketing year and will be made after these are known.

TITLE VII—P.L. 480

Under Title VII of the Bill, the provisions of Public Law 480—the Food for Peace Program—which authorizes donations and long-term dollar credit to underdeveloped Nations would be unchanged. Under the Act, most foreign currency sales are scheduled to end by December 31, 1971.

TITLE VIII—CONSERVATION AND ENVIRONMENT

Title VIII of the Bill will provide important authority to deal with several critical environmental problems facing both farmers and non-farmers.

In addition to the necessity to adjust the acreage of land used for crops during the next few years, there is urgent need to provide assistance to farmers who due to age, poor health, physical disability or other reasons, must retire or reduce their farming activity.

There is also need, as evidenced by the increasing concern about our environment, to provide more opportunities for open spaces, clear water, clean air, and outdoor recreation. The programs authorized under this Title will help meet all of these problems at the same time.

This Title will supplement the more widespread crop adjustment efforts authorized under other Titles of the Bill. The costs for obtaining production adjustment under these long-term agreements will be even less per unit than that obtained under annual programs. With the assurance of program assistance over an extended period of time, farmers can retire or reduce their farming activity. They will thus be able to live on the farm and continue to be a viable part of the economic and social community while providing a valuable service to an ever expanding recreation-minded public.

HUNTING, TRAPPING, FISHING, AND HIKING

The act will make land available to the public for hunting, trapping, fishing and hiking by providing appropriate compensation to farmers who agree to cooperate. Assistance will also be given to develop wildlife food plots and other wildlife habitat. Standards will be developed by the Secretary of Agriculture and the Secretary of Interior who will also appoint a public wildlife advisory board with whom they can consult on wildlife phases of the program.

GREENSPAN

Another important feature of this Title is the "Greenspan" program. This program will provide significant recreational and open space benefits to nonfarm people.

It will provide assistance to Governmental agencies in purchasing surplus-producing cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution.

This will supplement the millions of acres which will be set aside from crop production under the annual programs authorized by other Titles of this Bill. This will also make

a major contribution toward providing more open space, clean air, clear water and outdoor recreational opportunities.

PEANUTS AND HONEY

Title VIII also continues the current exemption from marketing quotas for boiled peanuts. In addition, farmers or other land owners who do not desire to hold an allotment under any crop under a Government program may voluntarily relinquish it. There is also provided an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

Mr. BELCHER. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota (Mr. KLEPPE).

(Mr. KLEPPE asked and was given permission to revise and extend his remarks.)

Mr. KLEPPE. Mr. Chairman, I could not come into the well of this House talking about a farm bill without expressing my gratitude and appreciation to the chairman of our committee, the gentleman from Texas (Mr. POAGE) and the ranking minority member (Mr. BELCHER) and then to Mr. PURCELL, the chairman of the Subcommittee on Livestock and Grains, and Mrs. MAY, the ranking minority member on our side.

It has been said—and I want to reiterate this—that the hours spent bringing this farm bill to its position today have been so numerous that it would be ridiculous to try to tabulate them. I have had a lot of experience in my life spending a great deal of time on a lot of projects and things, but never have I spent as much personal time on anything as I have on this legislation. I use those remarks advisedly because we consider many very important pieces of legislation in this House, but I consider this to be also, a very important piece of legislation.

It is a little disappointing, Mr. Chairman, to note that there are so few of our colleagues on the floor this afternoon.

This is complicated legislation, but it is virtally important to a declining minority of our people today, although they are a very vital minority.

We do not have before us the bill that I would like, and I think that is a true statement that everybody in this House could make. However, it evolved from a great deal of compromise and a great deal of give and take on the part of some of the individuals I have mentioned. I want to add to that the Secretary of Agriculture and his people who really put their minds to the stone to do the best they could to bring about a compromise and bring the bill to us, as I would like to define it, as a very minimum farm bill. In this farm bill we were agreed that we should bring out legislation that would bring us the relatively same level of spending on the three major crops which we are spending today. This was our objective and goal. In my own personal and humble opinion, we did not quite reach that goal. I cannot prove it, but I think time will develop the fact that it will fall a little short. Again I want to say that it brings us, and the farmers in rural America, a minimum farm bill that we can live with.

There are a couple of very basic concepts in this legislation that are different from what we have today. One is the freedom of the producer to plant once he has provided for the set-aside. The other is the set-aside approach as it was presented by the Department of Agriculture and the Secretary to make us more competitive in world markets. There is a great deal of argument about this and rightly so. Nevertheless it is one of the objectives of this piece of legislation.

Mr. Chairman, I make no bones about the fact that I am very much of a producer oriented man. I want to give you a couple of examples. When you come from a State like North Dakota where possibly 85 percent of our total economy is dependent upon agriculture and agriculturally related industries, then you know and realize that when you have spent all of your life there you are going to be producer oriented.

And now I do not want to treat lightly anybody who is consumer oriented, because that is all of us. The reason I want to bring out this particular point is to call attention to the fact that the consumers have a stake in this legislation. America today consumers, you and I and all of the rest, are spending 16.5 percent of our total disposable income for food, the cheapest in the history of the world. Now, if you and I and the rest of us do not make certain that the producers of our Nation are kept economically healthy we, the consumers, will ultimately be the losers in my opinion.

I want to give you an example. A few years ago there was a local dairy doing a thriving and profitable business in a small community in California. A large corporation decided that they were going to put this guy out of business because he was not in favor of raising the price of milk, he was doing all right the way he was. So this big corporation cut the price of milk nearly in half in that community, and that starved this small businessman. It was not but 2 months after that this corporation raised the price of milk 50 percent over the previous price. They got their money back in a hurry, but the consumers of that area lost a producer, and lost a small businessman who was really oriented in their direction.

I think that is applicable here as we look about the producers of our Nation, and their relation to the consumers.

I want to give you another example about the total agricultural orientation of my State. I know that most of you if not all of you were approached by members of the Farm Bureau from the various States who came down here a week ago telling us all to vote against this bill. I want to say to you, Mr. Chairman, that the members of the Farm Bureau from my State came down and asked me to support this bill. Why? Because they passed a resolution at their State convention that supported the wheat certificate concept, and we have that in this bill. This was in contradiction to the National Farm Bureau's position, but I think really so because that is the total agricultural orientation of our State and its people. It was even understood by those who belonged to the Farm Bureau.

I just want to say one final thing as I close these remarks, and that is it is emotional, I think, but it is true in my view, there is no finer place to live in the whole world than on the farm. No finer place to raise a family. I do not know what there is about a farmer, a small farmer, that grubs all he can out of that soil, but there is something about his projection and in his relationship to his fellow man and his neighbor that is just a little more humane.

You and I did not start farm programs and farm subsidies, but if we want to look at them in the total personal concept as they apply to our life today I think we have got to know and realize that if we can do something to supplement nonfarm income as well as farm income for the small families who want to live on that farm and raise their families, then we have performed a service because we then are not forcing them into the county seats, into the capital cities, and into the urban communities where they will ultimately end up on welfare.

I think that is the very basic provision and concept that is hooked up with this farm bill that we are considering now, and so I can only say that this is not Utopian. I know that it is a "whipping boy" piece of legislation for many, they say "Boy, when the farm bill comes up just wait until I get a whack at that baby. I am going to take care of that. That is where I want to do my legislative work for the year."

But there is something very personal for anybody involved in this legislation that I hope you, my colleagues, will consider. It is minimum, but it is very vital to the agriculture in this country.

Mr. Chairman, I yield back the balance of my time.

THE FARM BILL: FUSE FOR A NATIONAL DEPRESSION

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Montana (Mr. MELCHER).

(Mr. MELCHER asked and was given permission to revise and extend his remarks.)

Mr. MELCHER. Mr. Chairman, to use an old phrase in a little different context, depression is "just around the corner" for this country if we do not have positive action very soon to halt the current recession and slow the high rate of business failures.

Both in agriculture and farm-related business circles, any sharp drop in the economy or prolonged deterioration, even at a small rate, will result in a slide that will snowball into a rural depression. And all of our most serious depressions have started that way—in the rural areas with farm foreclosures, low agricultural prices, and business failures among those close to the farmers on the land.

We have before us a farm bill containing the seeds of a farm depression that could rock this Nation. It will lower farm prices. It will break a lot of farmers. It is no time to be pushing farmers further down; it is a time we should be legislating relief for them to strengthen the whole economy.

With only 16 percent of disposable income in America going for food, and

with only 5 percent of our disposable income actually reaching American farmers and ranchers, we must all realize that farm products are selling very cheap, actually below cost of production for most farmers, who have been living off their capital for a number of years.

At the bottom of the agricultural marketing totem pole are prices for grain.

On the farms of America today this is what you find:

Wheat is selling at 13 cents per bushel below 1943 levels.

Corn is selling at 6 cents per bushel less than in 1947.

Soybeans are 13 cents a bushel under their 1951 average.

Barley is a nickel a bushel under 1943 prices.

Oats bring 11 cents under 1943 levels.

Offsetting these prices paid farmers are these things:

Freight rates are at 1970 price levels—the highest in history.

Petroleum, steel, machinery, rubber, taxes, land, interest—every component of farm costs—is either at its highest in history or at a 30- to 40-year high.

That, Mr. Chairman, is what is known as the cost-price squeeze for agriculture. That, my colleagues, is what has forced agriculture into a box that requires, demands, a continuation of an agricultural stability act—a farm bill that keeps agriculture in business.

I have not mentioned prices for livestock. Prices for cattle, pigs and lambs are reasonably good. But beef on the hoof is selling somewhat lower than June of 1969, and 10 percent lower than the 1951 prices. Pigs and lambs are matching 1948 prices, 22 years ago. Because livestock markets have held up better than grain prices it is because of that and only because of that—that we are not now in the midst of a farm depression of a magnitude and depth that would be hard to project.

Unfortunately, hog prices are right now turning down.

It is only because of the relative strength and stability of the livestock markets that there has not already been a massive dislocation of farmers, with many squeezed off of farms hunting jobs in the cities. The trend from farm to city has been at a rapid pace for over 10 years. If it were not for current favorable livestock prices, it would have been an exodus comparable to the dust bowl days of the thirties.

Let those who are not directly involved in agriculture listen to me. I am not speaking of a little, isolated economic downturn that would only affect a few Americans—those 3 million operating the Nation's farms and ranches—I am speaking of an economic downturn that would require no haggling over semantics to determine whether it was correctly called a recession or depression. I am speaking of a "By Gawd depression" where no one would need to quibble over economic barometers or statistical yardsticks or need to read opinions of economists to know their pocketbooks and income were getting slim.

I am, Mr. Chairman, talking about an honest-to-God, go-broke depression that starts on the land, at the farm sales where they auction farmers off their land, and a depression that goes all the way to Wall Street in New York City, cutting down in its swath agribusiness in the rural towns and cities, business throughout the Nation, industrial output, and most important of all, a great many of the people in this country who live and work day by day and month by month doing a job for a paycheck.

The greatest single industry in the country is agriculture. It buys more steel, more petroleum products, more rubber, more trucks, than any other industry. When agriculture goes out of business or stagnates you can be certain that the ship of state is going to be rocked by the waves.

I have stated that but for relatively good and stable prices for livestock, agriculture with greatly inereasing costs would already be in a disastrous depression; there is one other factor that has helped prevent this catastrophe. That is a farm program, the 1965 act, that, while not good enough to keep pace with the cost price squeeze for farmers, has done some good to stabilize farm income and prevent a more serious decline in grain markets.

What we have before us now in the administration's proposals for grain farmers is the prospect of much lower grain prices.

In my book, continuing cheap grain prices will mean cheap cattle, cheap pigs, cheap lambs.

You may say "Well, I would like that, I could buy more meat for my family."

Take a look at what really happens when farm prices go down. Price spreads widen. Farm to dinner table margins are at an all time high. A 30-percent drop in farm prices would not give consumers a 10 percent saving at retail. If wheat goes down 50 cent a bushel it would not save people who buy those breakfast foods regardless of how nutritious they are or are not, a penny a box. I can assure you, however, that the producers of those products would have lost their shirts in a vicious market that took off the top end but left them with rising costs that cannot be paid by the price received from the marketing of their product.

And there, Mr. Chairman, we would have the conditions which would plunge this entire Nation into a depression that would stagger our whole economy. We are ourselves confronted with a decision to pass a bill that leads toward the bottom of the pit or to follow, with temperate judgment, a path that leads to price stability for farmers and to the overriding responsibility of making the American economy sound.

This bill as it affects grain farmers leads to the pit—this bill does not approach the income stability of the present farm program. It would, under the guise of giving farmers more flexibility, assure lower grain prices. While all else that is produced, sold, built, bartered or bought has been going up, we would be forcing farmers to product for lower prices. There is not something new and better for grain farmers in this bill. Rather, there is something new and worse in this bill.

It is no wonder that no farm organization supports this bill. It is true the milk people want the milk provision, the wool growers want their program continued, and we all want Public Law 480 extended—but that is the extent of the support. No organizations back the wheat or feed grain titles, or the setaside idea. Even as desperate as grain farmers are, there are none that can say that this legislation would improve their lot.

Mr. Chairman, progress on the farms and ranches of America in the past 40 years has increased production magnificently. But we have never matched that know-how and capability in production with knowledge of marketing and distributing the food so that all in the Nation could enjoy the abundance with which we are blessed.

We have food stamp legislation pending before this House. Extension of Public Law 480, Food for Peace, is one of the titles of this bill. They are programs to take care of hungry people here at home and abroad.

We can improve on distribution costs and I will cite one example: From my home county, coal is shipped over 1,000 miles on the Burlington-Northern Railroad to furnish the fuel to turn on the electric lights in Minnesota. The freight rate on that coal is $2.74 per ton. Wheat moves the same distance on the same railroad for five or six times that amount per ton. Railroad cars that haul grain cost more than cars to haul coal. But the real difference in the rates lies in the fact that the coal moves by unit trains all year and the grain moves by spurts and is billed in single car lots. There is no reason not to haul grain by unit trains at costs which would greatly reduce current freight rates. The Department of Agriculture, not adverse to progress, the grain trade, and the railroads—all could benefit by solving a problem in distribution costs that farmers big and small cannot solve by themselves.

I offer these three points: Food stamps, food for peace, and progress in distribution costs as three hopes for doing what farmers and humanitarians seek—improving farm prices and ending hunger of people whose nutrition and food supplies are inadequate.

Meanwhile, Mr. Chairman, there is no reason to pursue folly by weakening the farm program, no reason to court serious depression; no reason to enact the wheat and feed grain sections proposed by Department of Agriculture officials who view the problem of grain farmers as one that can be solved only by lowering their prices. These two sections of the bill more than any other parts in the proposed legislation reflect the callous philosophy of so-called grain experts who have not truly realized the impact of rising costs on grain farmers.

I propose to continue the present level of price support for wheat as a minimum, and I shall offer an amendment to keep the minimum returns for a producer's whole crop at 70 percent of parity; that is, approximately $2 per bushel or the blend price return from 100 percent of

parity for domestic wheat and the $1.25 loan on the rest, which is what the farmers get now.

The return should be more—wheat farmers are in trouble financially even at $2 per bushel average return—but this minimum will at least give them stability instead of a big drop.

Let me say, Mr. Chairman, that the President of the United States went out to North Dakota recently and declared that he was for 100 percent of parity for wheat. There is a lot of confusion about whether he meant all wheat, or just a minor fraction of it.

If he is really for 100 percent of parity for wheat—which is what it ought to be—and cannot find anyone in his own party to offer such an amendment to this bill, I will put it in for him. I will be delighted to abandon this 70 percent, which I am proposing only because his Secretary of Agriculture and all the rest of his appointees have fought even that much right down the line.

I here and now challenge all of those who talk about 100 percent of parity for wheat to support just 70 percent as the minimum in the law. Stand up and be counted. Let the President send up another of his letters announcing his support for even that level of support for wheat—more if he wishes to—and I know the wheat producers of America will be grateful in view of what his Secretary of Agriculture is trying to do to them.

I also expect to support a similar amendment affecting feed grains which will be offered by the gentleman from Minnesota (Mr. ZWACK), my colleague from the Agriculture Committee, to give feed grains an assured minimum price support, in the law, at current levels.

In addition, Mr. Chairman, I will propose an amendment directing the Secretary of Agriculture to arrange for the use of unit trains and rail-to-barge shipment of grains to lower transportation costs and to take the savings into account when calculating county loan rates on grain, so the savings in transportation will be passed back to the producers who desperately need every penny of added value they can obtain.

Mr. Chairman, the amendments to assure a minimum blend return for wheat and feed grains at least at present levels is the very least this body can do: anything less than that, anything as far down the scale as the administration is insisting upon, would be lighting the fuze of a depression.

Mr. KLEPPE. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from North Dakota.

Mr. KLEPPE. Mr. Chairman, I do not believe I understand the gentleman's first amendment correctly about wheat. Will the gentleman explain that again?

Mr. MELCHER. I will offer an amendment to assure the same level of price support for the whole wheat crop that we have right now—a 70-percent-of-parity return for our wheat farmers on their whole crop. This bill provides for parity on domestic food wheat but that is less than half of the crop.

Mr. KLEPPE. Is this a net 70-percent return the gentleman is talking about?

Mr. MELCHER. I am talking about 70 percent figured on the whole crop.

Mr. KLEPPE. A blended price?

Mr. MELCHER. A blended price.

Mr. KLEPPE. I thank the gentleman.

Mr. BELCHER. I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, at the outset I wish to thank the gentleman from Oklahoma not only for yielding to me the 5 minutes but for all the cooperation he has given me in these past weeks in trying to reach some kind of compromise in regard to the payment limitations. Certainly he has been a gentleman. I wish also to thank the gentleman from Texas, the chairman of the committee (Mr. POAGE), with whom I have had occasion to deal many times.

Mr. Chairman, at the appropriate time I intend to offer a substitute amendment to the committee amendment—title I of the bill—to limit the production payment to no more than $20,000. I will cosponsor it with the gentleman from Illinois (Mr. FINDLEY) and on behalf of BARBER B. CONABLE, DONALD M. FRASER, EDWARD P. BOLAND, JOSEPH M. MCDADE, ALBERT H. QUIE, JEFFREY COHELAN, JOHN C. CULVER, FRED SCHWENGEL, ROBERT T. STAFFORD, ROBERT N. GIAIMO, ALLARD K. LOWENSTEIN, WILLIAM B. WIDNALL, and RAY J. MADDEN.

This amendment represents a combination of the best features of amendments which each of us had developed separately. The end result, we believe, is a more effective and reasonable method of reforming our scandalous and inequitable farm subsidy program. I will insert at the close of my remarks a copy of the amendment and a brief explanation of it.

Perhaps the most important feature of our amendment is the strong language it contains to prevent its evasion through such devices as subdivision of farms. It calls upon the Secretary to implement regulations to prevent such evasion.

We also have regulations which we suggest that the Secretary should implement in order to establish a legislative history indicating that these are the kind of farm regulations which the Congress will insist upon. I also include these draft regulations at the close of my remarks.

These regulations are based on regulations which the Department of Agriculture promulgated several years ago to guide its staff in the enforcement of a $5,000 payment limitation in the conservation reserve program. They have been updated to apply to the commodity programs.

I assure my colleagues that if the amendment I am offering today is approved, I shall counsel with Secretary Hardin and his staff to the extent necessary to assure that the limitation is enforced and administered in an equitable and effective manner, thus reducing Government expenditures substantially.

The three enclosures referred to follow:

THE CONTE-FINDLEY SUBSTITUTE AMENDMENT TO THE COMMITTEE AMENDMENT ON H.R. 18546 (TITLE I OF THE BILL)

TITLE I, PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by Titles III, IV, V, and VI of this Act for the 1971, 1972 or 1973 crop of the commodity shall not exceed $20,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such persons will be sharing in payments earned under such program shall be reduced to such extent in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules and further limitations as he determines necessary to assure a fair and reasonable application of such limitation and to prevent the circumvention or evasion of such limitation, whether the circumvention or evasion be attempted by means of the subdivision of farms, production allotments or bases thereof through sale or lease, or by other means; Provided, that the provisions of this Act which limit payments to any person shall be applicable to lands owned and operated by states, political subdivisions, or agencies thereof.

SUMMARY OF THE CONTE-FINDLEY AMENDMENT

This substitute for the Committee amendment (Title I of the bill) differs with the Committee version in two principal respects: it would limit payments to any producer to no more than $20,000 per crop; and it includes language to prevent the evasion of this limitation. The following is an analysis of each subsection of the Conte-Findley substitute:

1. This is identical to the Committee subsection (1) except that the ceiling level is $20,000, and it is made applicable to wool as well as to cotton, wheat and feed grains.

2. This subsection is identical to subsection (2) of the Committee subsection (2), merely defines the term "payments."

3. This subsection is also identical to the Committee subsection (3), and is designed to encourage participation in the programs by producers affected by the limitation by permitting their set-aside obligation to be reduced in proportion to their payment reduction.

4. This subsection differs significantly with the Committee subsection (4) by making clear that the Secretary *shall* issue regulations to prevent circumvention or evasion of the limitation. It also makes clear that states and their political subdivisions or agencies will also be subject to the limitation provisions. The Committee subsection would have exempted them from these provisions. The substitute amendment assures that such agencies will continue to be treated as other producers. There is no justification for extending a privilege to a select number of states and state institutions merely because they are in the business of farming.

REGULATIONS TO PREVENT EVASION OF A $20,000 PER PROGRAM PAYMENT LIMITATION

Introduction

Even though the Department of Agriculture in years past has had considerable experience administering limitations on indi-

vidual payments, the question of definitions and regulations is very important. Rules must be established which will prevent the circumvention or evasion of the limitation.

The word person is deliberately chosen in the amendment because it has been used widely in administering previous limitations and is well understood in the agricultural industry. Used here, person means an individual, a family, a partnership, or a corporation.

The maximum payments a person can receive under any single commodity program cannot total more than $20,000 a year—whether the program be feed grains, wheat, cotton or wood. To illustrate, if John Jones is proprietor of a farm on which feed grains are produced, is partner in a second such operation and has controlling interest in a corporation owning a third such farm, the aggregate payments he can receive from all sources for feed grains program participation cannot exceed $20,000 a year. Also the maximum each for the partnership or corporation likewise is $20,000. To take another illustration, if John Smith has similar interests except that his interest in the corporation is not controlling, he need not count payments to the corporation in computing his total payments subject to limitation.

The amendment is drafted to give clear instruction and authority to the Secretary to make further prorata reductions in payment limitations where he finds that sale or lease of production allotments or bases, or sale or lease of portions of farms have been made for the purpose of evading or circumventing the payment limitation.

It is also drafted so as to make clear the intent to cover by the limitation payments applicable to lands owned and operated by states, political subdivisions or agencies thereof.

Set forth below are regulations drafted on request by the Library of Congress after consultation with Department of Agriculture legal counsel. The word "producer" as it appears in the draft regulations should be considered the same as the word "person."

A possible exception to Item 4 in the draft regulations would be an Indian tribe, where tribal custom has caused one agent to act for several persons within the tribe. The Secretary shall have the authority to determine fair and reasonable rules in such circumstances.

The draft regulations are printed here as an indication of the regulations expected by the author of the amendment to be employed in administering the limitation.

The regulations

(a) The total of all cotton, feedgrains, or wheat payments under the programs to any producer for any year with respect to all farms in which he has an interest shall not exceed $20,000. All or any part of the payment which otherwise would be due any producer shall be withheld, or required to be refunded, if he had adopted, or participated in adopting, any scheme or device, including the dissolution, reorganization, revival, formation, or use of any corporation, partnership, estate, trust or by any other means designed to evade, or which has the effect of evading the provisions of this section. A family trust created on or after January 1, 1970, will be considered a scheme or device to evade the provisions of this section if it results in the settlor and beneficiaries of the trust receiving in the aggregate payments under the Program in excess of $20,000. For purpose of this provision, members of the family include husband or wife of the settlor, children of the settlor, their husbands and wives, and members of the immediate household of the settlor; and payments to a trustee shall be regarded as payments to the beneficiaries of the trust. For purposes of this section, a family shall include grandchildren of the settlor, step-children of a child of the settlor, and any minor related to the settlor by blood or marriage.

(b) Any sale or lease of land having a cotton or wheat allotment, or a feedgrain acreage base which on January 1, 1970, was a part of a farm or group of farms entitling the producer to payments in excess of $20,000 under provisions of the 1971 programs for these crops, if sold or leased to another producer or producers, shall be subject to the same prorata adjustments in payments and acreage as though it had not been leased or sold, except in cases where a renter gives up a lease from an unrelated landlord.

(c) For purposes of applying the payment limitation prescribed in paragraph (a) and (b) of this section, the rules contained in subparagraph (1) through (6) of this paragraph shall be effective to determine whether certain individuals interested in farming operations as landowners, landlords, tenants or sharecroppers are to be treated as one producer or as separate producers. In cases in which more than one rule would appear to be applicable, the rule which is most restrictive on the number of producers shall apply.

(1) A partnership shall be considered as a producer: Individual members of the partnership may be recognized in another capacity as landowners, landlords, tenants, or sharecroppers, on the same farm or another farm only if (i) the individual members operating in a separate capacity are not identical with the membership of the partnership, and (ii) the individual members also operated as separate producers or in a separate capacity as producers on the farm during 1969.

(2) A corporation or association shall be considered as a producer. A stockholder who owns a majority of the stock of a corporation shall not be considered as a separate producer on the same farm nor recognized in any other capacity on the same farm as a landowner, landlord, tenant, or sharecropper.

(3) An estate or trust shall be considered as a producer unless the estate has only one heir or the trust has only one beneficiary, in which case only the sole heir or the sole beneficiary shall be considered as a producer. Subject to the provisions of paragraph (a) of this section, an individual who is not the sole heir of the estate or the sole beneficiary of the trust may be considered as a separate producer or recognized in a different capacity as landlord, landowner, tenant, or sharecropper, on the same farm or on another farm, provided such separate producer status is established to the satisfaction of the county committee.

(4) Two or more individuals operating as a group under an arrangement which, although lacking the legal elements of a partnership or corporation, is in the nature of a joint undertaking shall be considered as a producer. (Clubs, societies, fraternal and religious organizations, as well as informal arrangements between two or more individuals, are examples of such groups.) Individual members of the group shall not be considered as separate producers on the same farm nor recognized on the same farm in any other capacity as landowners, landlords, tenants, or sharecroppers.

(5) Husband and wife shall not be considered as separate producers nor recognized in any other capacity as landowners, landlords, tenants, or sharecroppers, on the same farm or on different farms. Other individuals having any family relationship may be considered as separate producers if they are participating on different farms. Such individuals may be considered as separate producers on the same farm or recognized in different capacities on the same farm as landlords, landowners, tenants, or sharecroppers only if such individuals operated as separate producers or in separate capacities during 1969.

(6) Individuals having a joint or common interest arising out of their interests in the ownership of any part of the farm as joint tenants, tenants by the entirety or tenants in common shall not be considered as separate producers on the same farm nor recognized in any other capacity on the same farm as landlords, landowners, tenants or sharecroppers.

Mr. POAGE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. MIKVA).

(Mr. MIKVA asked and was given permission to revise and extend his remarks.)

Mr. MIKVA. Mr. Chairman, I take this time to state that I intend, at the appropriate time tomorrow, to offer an amendment to this bill which will provide that anyone who desires to receive more than $5,000 in subsidy payments in the aggregate must agree to comply with the minimum wage provisions of the Fair Labor Standards Act and must certify that he is in compliance with all local State and Federal health and safety regulations.

I want to emphasize three things about this proposed amendment.

I am not changing any of the existing standards. I am not increasing the minimum wage requirements. I am not proposing any new Federal, State, or local health requirements.

I am merely saying that if someone wants to receive more than $5,000 of Federal money he ought to agree to comply with those minimum requirements. The proposition is based very simply on the premise that someone who is feeding his family with his paycheck is just as dependent on the amount of that paycheck and the health and safety conditions under which he is earning it, whether he works in a mine or in a mill or on a farm.

It is based on the further proposition that we try to interfere as little as possible with the truly small farmer. Therefore, anyone who receives less than $5,000 of subsidy payments will not be affected by this proposed amendment.

Obviously a preferable position is that all farm help ought to be covered by such provisions. I repeat again, anyone who feeds his family with his paycheck is dependent on that paycheck and the conditions under which he has earned it, wherever he has worked.

However, I think as an initial proposition of fundamental fairness it is not too much to say to the large farmer that if he wants to enjoy $5,000 or more of these Federal fruits, he ought to be willing to share a little bit by complying with the Federal standards that apply to all other employers and comply with his own State and local health and safety regulations. It is a simple amendment, and I hope the support of the committee will be forthcoming.

Mr. ABERNETHY. Will the gentleman yield?

Mr. MIKVA. I yield to the gentleman.

Mr. ABERNETHY. I am sure the gentleman is familiar with the fact that we have a minimum wage law applicable to farm labor.

Mr. MIKVA. To some farm labor. That is correct.

Mr. ABERNETHY. To most all farm labor except very small farms.

Mr. MIKVA. May I say to the gentleman that less than 20 percent of all farm labor is presently covered by the minimum wage and hour standards of the Fair Labor Standards Act. This would add some more employees to that cov-

erage at least as far as wages are concerned.

Mr. ABERNETHY. What the gentleman is really doing, then, is this: the gentleman is attempting to expand the minimum wage law to an area that it does not now cover. That is what it amounts to.

Mr. MIKVA. By no means. I am suggesting that if someone wants to get Federal funds, they ought to agree to comply with the standards already in the law.

Mr. ABERNETHY. Which has the effect of extending the minimum wage law.

Mr. MIKVA. That is a semantic argument. The gentleman finds one effect, and I say the effect is that a large corporate farmer who wants to share in some of the billions of dollars we are providing ought to agree to that fundamental minimum.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from New York.

(Mr. KOCH asked and was given permission to revise and extend his remarks.)

[Mr. KOCH addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. POAGE. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia (Mr. O'NEAL).

(Mr. O'NEAL of Georgia asked and was given permission to revise and extend his remarks.)

Mr. O'NEAL of Georgia. Mr. Chairman, why do we subsidize newspaper, magazine, and book publishers with low postal rates? The answer is easy. It is not because the publisher needs the money, or because we feel sorry for him. It is for the better enlightenment and thus the benefit of the recipients of those publications. We want the public to get reading material as cheaply as possible and thereby be well informed.

Mr. Chairman, why do we subsidize various forms of transportation? The answer is the same. It is for the benefit of the traveler, or shipper, or receiver of the products being hauled.

All of our subsidies are for the benefit of some portion or all of the public.

No one would suggest that the Washington Post or the Reader's Digest or Time and Life publications or any other publisher receive the subsidized rate as a "welfare project." No matter how big the publisher is, if he did not get the subsidy he would have to charge more to the subscriber.

And nobody ever suggests seriously that we put a limitation on these subsidies. Nobody suggests that my weekly papers retain the subsidy but that we deny them to the big dailies. It is manifestly unfair to suggest this and it is contrary to the intent of the program, which is simply to have a well-educated, well-informed, well-read populace in this country.

Likewise, one of the purposes of the farm programs is to have a well-fed public at the least expense to the individual. It is the public that is really subsidized.

Despite the fact that American costs of food production are the highest in the world, despite the fact that American processors, American laborers, American truck drivers, American meat cutters, American food store clerks, American workers in every phase of agri-business get the highest incomes in the world, the American consumer still pays the least percentage of his take-home pay for his food than any person who ever lived on the face of the earth. This is due in part to the hard work and the small return on the farmer's investment, the marvelous discoveries of our agricultural colleges and agricultural research laboratories, but also due to the system—the Government subsidization that eventually gets to the person who buys and eats the groceries.

Some city and suburban Members of Congress do not seem to realize that the American taxpayer is helping his constituents pay the grocery bill. The poor family pays a larger percentage of his income for food than the rich man and thereby benefits the most from the farm subsidy program. When the clerk is calling the roll in this Chamber the loudest vote for the farm bill ought to come from the urban Member of Congress. The merchants and manufacturers of all other products will sell less if this bill fails to pass and the American must then spend more of his take home pay for food.

Mr. Chairman, it would surprise me greatly to find one Member of this body—Republican or Democrat—who would write this bill as it is written or who is completely satisfied with it. Everyone familiar with the legislative process knows that this is the way it has to be with all major complicated legislation.

Certainly it is not a perfect bill, and not one which wholly satisfies anyone. But it is a good bill and it represents concessions and compromise arrived at in more than a year of various subcommittee and full committee sessions and meetings between our committee and Secretary Hardin and other top officials of the Department of Agriculture.

Members of the committee who are most interested in the farmer's welfare have maintained a realistic and practical attitude. We have accepted in a spirit of compromise a bill which is not regarded by all as the best possible solution to the farm problem.

We hope our colleagues in the House will accept this legislation in the same spirit and give it overwhelming approval on final passage. I am convinced that a failure to pass it will trigger a real depression in America.

The importance of favorable action on this bill cannot be overemphasized, not only importance for the American farmer but because of its impact on our Nation's total economy.

In the absence of a new law to replace existing statutes which expire at the end of this year, we will revert to an old and outmoded program which would force the farmer to overproduce in a vain attempt to make a profit and thus destroy himself. The surpluses of the 1950's would seem small when we consider the production capacity of American agriculture today.

In days past there was a common and probably accurate statement that nationwide economic depressions all begin on the farm. Depressions in this country have historically been farm bred, farm led, and farm fed.

If we do away with our system of subsidies, if we stop making these Federal payments through the farmers to the consumers, then one of but two alternative things will happen: One, we will have to import all of our cotton and all of our wheat because not a single American farmer can come anywhere near growing it at a profit because of what he has to pay for equipment and supplies. The cotton farmer, as I understand it, would lose about ten cents a pound for every pound he raised. Therefore we would destroy all of these farmers and they and their employees and their families would probably move to the cities immediately. Not only that, but we would destroy countless thousands of jobs and industries that sell to the farmers.

I would ask my colleagues to simply add up the industries of this kind that happen to be in their own districts.

The other alternative, Mr. Chairman, is for the farmer to get from the consumers what he now gets from the Government.

Considering the current state of our economy, the failure to pass a farm bill would most assuredly set off a cataclysmic change in the agri-business world and the economy in general. Agriculture is still by far the largest single industry in the United States, and it generates jobs for nearly 40 percent of the employed workers of our Nation, either by providing the implements with which they work or by providing a market for the commodities which they produce.

It seems almost unbelievable that the American public could take for granted such a vital industry as agriculture. Yet, this is exactly what many have done for several years now.

Even with the assistance of this legislation, farmers in the United States will not realize a fair return on their considerable investment in time, labor, and money. The return on crops lags far behind the costs of input items that go into production. In this decade, farm costs have gone up 31 percent and farm debt has increased 90 percent.

Although the Agricultural Act of 1970 by no means offers the farmer a panacea, it should accomplish the objectives which farm programs for the past several years have achieved. That is an approximate balance between production and consumption.

On the crucial question of limitation of payments, I agree with the views often expressed by our distinguished chairman. He has said, in effect, that while limitations basically are unfair and would impair the efficiency of any farm program, they seem to be inevitable and therefore should be held at a workable level. We believe that level to be $55,000. I sincerely hope the bill with the $55,000 limitation will pass by a solid majority.

Mr. HAGAN. Mr. Chairman, will the gentleman yield?

Mr. O'NEAL of Georgia. I yield to the gentleman.

Mr. HAGAN. Mr. Chairman, I would like to commend the gentleman from Georgia (Mr. O'NEAL) for his statement and associate myself with his remarks.

(Mr. HAGAN asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. ZWACH).

ZWACH AMENDMENT TO TITLE II

Mr. ZWACH. Mr. Chairman, I support the provisions of the Poage-Belcher bill dealing with dairy products and would like to clarify as best I can the intent of an amendment which I proposed and the committee unanimously accepted concerning the class I base plan.

My amendment appears on page 5, line 22, of H.R. 18546 and it reads as follows:

(v) nowithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later, pursuant to the provisions of section 8c(5)(D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

This amendment was carefully worked out after weeks of discussion and as the author of it, I want to make it very clear that this amendment is designed to give all established dairy farmers a realistic opportunity to have competitive access to class I markets throughout the Nation.

The Agricultural Marketing Agreement Act of 1937 was enacted only after long and careful consideration of the dangers to both producers and consumers of permitting certain groups to gain control of and limit access to specific markets. It was specifically to protect producers and the public against such possible dangers that 8c(5)(D) was introduced and adopted with this provision:

(D) Providing that, in the case of all milk purchased by handlers from any producer who did not regularly sell milk during a period of 30 days next preceding the effective date of such order for consumption in the area covered thereby, payments to such producer, for the period beginning with the first regular delivery by such producer and continuing until the end of two full calendar months following the first day of the next succeeding calendar month, shall be made at the price for the lowest use classification specified in such order, subject to adjustments specified in paragraph (B) of this subsection.

Equally as important was the amendment sponsored by the late August Andresen of my State of Minnesota. It was also found to be a necessary protection to gain adoption of the original act.

The Andresen amendment states:

(G) No marketing agreement or order applicable to milk or its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

These provisions were found necessary as a part of the act, for two reasons: First, to assure the free movement of milk in interstate commerce and prohibit barriers adopted at the request of producers distributing in an area at the time of Federal order promulgation, and second, to prevent the undue exploitation of consumers by preventing the free entry of milk from other producers.

Recently, efforts have been undertaken to upgrade manufacturing grade milk to the point where, in the near future, it seems quite likely that all milk sold in interstate commerce will equal the grade A standards recommended in the code of the U. S. Public Health Service of the Department of Health, Education, and Welfare.

The U.S. Department of Health, Education, and Welfare has released recommended standards in the past year to upgrade manufacturing milk. The final enactment of such standards has been delayed only to permit further collaboration with USDA, to simplify and correct any unreasonable and unnecessary provisions of the minimum standards.

While price was once the main incentive to get farmers to meet grade A milk standards, in recent years several new factors have entered the picture. As production milk units become larger, new facilities must be provided and many dairy farmers find it reasonable to meet the highest standards at the time of the initial change rather than on a piecemeal basis as standards are gradually upgraded. This tendency is especially strong in the Upper Midwest where 85 percent of the milk production must look to other areas for a market outlet. The better dairy farmers are continuously striving to produce milk that will be acceptable to, and desired by, those consumers who demand the best.

Another factor in the upgrading of all milk is the greater consciousness of consumers that they are not themselves in a position to police the quality of all food products with a result that they demand greater Government supervision for all perishable food products.

Dairy farmers in the Upper Midwest are the most efficient milk producers in the Nation as evidenced by the fact that milk production has held relatively stable in the States of Minnesota and Wisconsin, even though milk prices there average far below the national average. For example: The 1968 average price received by Wisconsin farmers for milk was $4.59, while the U.S. average was $5.30. Producers supplying grade A milk for the Chicago Regional Milk Order in 1968 received an average of $4.80 at Chicago, while the average price for all Federal order markets was $5.46, while other markets in areas less well adapted to milk production ranging up to $6.95 per hundredweight for 3.5 percent milk.

Minnesota and Wisconsin have long been the reserve supply of milk for the Nation, shipping milk to other markets on an emergency basis when other producers nearer the receiving markets could not supply market needs. When Minnesota and Wisconsin milk is not needed for such shortages, it is kept at home for use in manufactured products. At any rate, they supplied the needs without regular participation in the respective pools and without regular qualification and "producers under terms of the orders in the receiving market."

These producers have provided a real service to the market, receiving class I returns only when their milk was needed. However, in recent years more producers have shipped directly to distant markets as truck routes and equipment were improved and interstate highways were developed. We now have milk from Minnesota and Wisconsin going to St. Louis; Indianapolis, Ind.; Fort Wayne, Ind.; Cleveland, Ohio; and other distant markets on a regular daily basis as milk producers in the Midwest make up for the shortages in other areas.

The door must be kept open for such milk to move freely into markets where needed. Class I base programs in orders must not be permitted to assign all class I premium proceeds to a specific group of producers in high production cost areas because they happened to sell milk to such market at a specific time.

Equally important is the fact that the term "producer" does not necessarily mean the same thing in terms of Federal order participation as in ordinary lay language. Outside of the Federal order field, we ordinarily think of a producer as anyone who produces the product under consideration. However, such is far from the case in Federal milk order terminology where the USDA has provided much more specific definitions. For example, the following definition, typical of most Federal milk orders, comes from the Chicago regional order No. 30:

§ 1030.15 Producer. "Producer" means any person, except a producer-handler as defined in any order (including this part) issued pursuant to the Act, who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority, when milk is received as producer milk at a pool plant or diverted pursuant to § 1030.16 from a pool plant to a non-pool plant.

When we consider the term "producer" in relation to Federal marketing order, the key becomes not whether the dairy farmers are producing and marketing milk, but whether the plant to which the farmer's milk is delivered qualifies as a pool plant. Pool plant qualifications generally include required percentages of total milk receipts to be used in class I products—fluid or drinking milk—and that specific minimum percentages be distributed for sale within the prescribed marketing area. Pool plant standards frequently differ depending upon whether the plant packages its own receipts for fluid distribution or acts as a supply plant by reselling its receipts in bulk to another plant which in turn does the bottling. By varying these pool plant specifications, USDA also determines who may participate in a pricing pool as a producer.

When we concern ourselves with market entry of new producers, we are in fact talking about the right of any dairy farmers engaged in the production and

marketing of milk, and not just those producers who qualify under terms of present orders. Our concern is that existing dairy farmers who may desire to sell milk to Federal order fluid markets be given equal opportunity to share in the premium or high class I prices as those already qualifying by sale to pool plants. We recognized, of course, that they must meet the quality standards necessary for sale in the market under consideration and that such milk must be available when needed.

This bill which provides for class I base plans specifically assures qualified dairy farmers, irrespective of the area in which they produced milk, an opportunity to share equally with other producers in the proceeds of the market's class I sales.

The specific language of my amendment on H.R. 18546 is designed to avoid any barrier to the free flow of milk and to prevent discrimination against producers.

Mr. MIZE. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman.

(Mr. MIZE asked and was given permission to revise and extend his remarks.)

IMPERFECTIONS IN THE BILL

Mr. MIZE. Mr. Chairman, those of us from agricultural districts are most acutely aware of the inequities of this bill. To protect farm income at equitable levels, the Congress should provide more protection than this bill contains.

But we know higher agriculture expenditures are politically unattainable in an increasingly urban society with competing demands for the taxpayer's dollar. This legislation, therefore attempts to achieve a compromise with reasonable prospects for passage in the House of Representatives where few Members have significant numbers of constituents in agriculture.

Those of us from the plains know this bill perpetuates inequities in the distribution of the national conserving base—some 100 million acres of cropland diverted from intensive production of supported commodities. Members of my staff and I and many others have worked for months to achieve reform in this area—a more just distribution of the conserving base acreage. We have had no success.

Kansas has 29.9 million cropland acres, with a conserving base totaling 6.4 million acres. Texas has 35.8 million cropland acres, with a conserving base of only 2.9 million acres. Kansas and Texas are directly competitive in the fed-cattle industry and the production of milo for feedlot use. The inequity is obvious, but it has developed over the years under existing regulation and law, and is perpetuated by this act.

URGE SUPPORT BY ALL MEMBERS

Other Members from other regions of the Nation will recognize other imperfections in this bill. It is right to protest these inequities, for the economy of a good many States and farming regions is at stake. However, without passage of compromise legislation at this late hour, chances are we will have no farm bill at all this year.

Farmers want a bill, not a political issue. Without a bill, land values might be reduced drastically in many farming regions. Many honest and diligent family farmers will see their equity in the land destroyed. All farmers will suffer depressed income and be forced to curtail purchases of farm machinery, fertilizers, and petroleum products.

MARKET ECONOMY THE GOAL

Over the long haul, we must return to a market economy in agriculture. This bill is a hopeful first step in that direction, for it assures the United States a competitive position in the export market for wheat and feed grains.

A market economy—and collective bargaining—in production for domestic consumption are rejected in favor of the consumer subsidy, but in export commodities, at least, a giant step is made in the direction of the market economy under this act.

Farmers cannot survive without an export outlet for commodities. Half the hard red winter wheat of Kansas is grown for export. Wheat farmers have lost about one third of their allotment over the past 3 years. They cannot continue to sustain additional acreage reductions without rapid deterioration of production efficiency. The export market is the commercial wheat farmer's only hope, and this bill protects that market.

The entire Nation depends upon the export of commodities no less than agriculture. Our balance-of-payments position, in trouble already, would collapse without the continuing cash sale of about $5 billion in commodities overseas each year. This bill protects our balance of payments more than it protects farm income, and every urban Congressman should not forget that fact.

Whether we approve or not, many great industries in America are supported by Federal subsidies in the public interest. Magazine publishers enjoy the second class mailing subsidy. The aircraft industry is heavily subsidized. The railroads are subsidized, and are asking for a billion more per year.

The petroleum industry is subsidized by import quotas, the textile manufacturers are asking for similar subsidies. The Nation cannot permit unlimited numbers of Volkswagens and Saabs and Fiats into our market for obvious reasons. Our national economy is clearly a partnership—a partnership between private industry and the Federal Government's policies. Profits and losses are habitually determined by management's decisions and the decisions in Washington. The one complements the other.

This year is not the year to experiment with the future of America's largest industry—agribusiness—representing about $125 billion of the gross national product.

Mr. THOMSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman.

Mr. THOMSON of Wisconsin. Mr. Chairman, I want to commend the gentleman from Minnesota for his dogged determination and persistent efforts to have included in the class I base plan proposal in this bill a provision which would guarantee access to the producers of the great dairy areas of Minnesota, Wisconsin, and other places who might have been barred or who might have been delayed for a period of years in getting access to the class I markets of this country.

I think much of the credit for this very fine provision in this bill must go to the gentleman from Minnesota.

Also I want to commend the gentleman for having included in this bill a continuation of the dairy indemnity payments to farmers who lose their products through no fault of their own, based on pesticides and other articles that contaminate milk, which have been approved by the Federal Government.

Third, for the provision which makes available to the Military Establishment and military hospitals dairy products which will be given to them without cost.

I think these are very commendable provisions and I commend the gentleman from Minnesota for his efforts which have made them possible.

Mr. ZWACH. May I say to my neighbor, the gentleman from Wisconsin (Mr. THOMSON) that I bear witness to his untiring efforts as Governor and as attorney general and as a member of the Wisconsin Legislature and as Congressman in his effort to carry out the opening of the milk markets for high grade milk.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman.

(Mr. STEIGER of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. STEIGER of Wisconsin. Mr. Chairman, I rise to commend the gentleman from Minnesota (Mr. ZWACH) for his diligence, his patience, and his perseverance in obtaining favorable consideration for his very vital amendment to this bill—starting on page 5 of H.R. 18516.

The Zwach amendment clearly states the principle of competitive access to class I markets, and it goes a long way to making the class I base plan an acceptable provision in the dairy program.

As one who worked with the gentleman from Minnesota in his efforts to obtain equitable treatment for the area of the Nation that produces more milk than any other region on the face of this globe, I can appreciate the difficulties encountered and the resistance that was offered by those who wished to make this class I program a local milk monopoly for a few favored producers in milk deficit areas.

With the language of the Zwach amendment and the clear intent of the committee spelled out that this program is to be administered in the national dairy interest, not just the local dairy interest, I am confident that dairy farmers in our area of Wisconsin will be fairly treated in the days and years ahead.

Without the amendment of the gentleman from Minnesota, I could not possess that confidence, however.

Mr. ZWACH. I thank the gentleman from Wisconsin.

Mr. Chairman, I wish also to pay tribute to the sections of the bill relating to recreation, hunting and fishing.

I wish to speak briefly about the grain

provisions of the bill that I feel should definitely be strengthened. I feel it is wrong to eliminate the parity concept, to fix at a designated rate the return in agriculture when freight rates, imports and taxes are continually on an escalator. I will offer an amendment that will retain the parity principle as it is in wheat. I believe also that we ought to have some bottom to the low figure. I do not believe we ought to give to the Secretary or to any administrative official the exclusive right to peg a loan rate from zero to 90 percent of parity. The amendment I shall offer will also deal in that area.

Thirdly, it will deal in the area of the release prices of CCC commodities. If this legislation is implemented as contemplated, it well may result in a lower release price for stocks held by Commodity Credit.

Mr. SCHADEBERG. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman from Wisconsin.

Mr. SCHADEBERG. I have discussed this matter with the gentleman and thoroughly agree with him. I wish to associate myself with his point of view and shall support his amendments.

Mr. ZWACH. I thank the gentleman for his statement.

Mr. Chairman, I yield back the remainder of my time.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. BURLISON).

(Mr. BURLISON of Missouri asked and was given permission to revise and extend his remarks.)

Mr. BURLISON of Missouri. Mr. Chairman, I think it has been a bit disturbing today, both in the discussion on the rule and in the general debate, to hear the farming industry painted as one that is to have the advantage of a windfall or, as one Member termed it, a "boondoggle." I believe it is no such thing. I believe that the evidence clearly points out that this bill falls far short of our present legislation for our farmer.

I have opposed this legislation principally on one point from its very inception, from the time the Department presented it to us. I refer to the set-aside proposal. I think that in my district, a very conservative estimate has been made that farm income will be reduced by 20 percent.

I have been disturbed as well by some statements that have been made, as well as from other quarters—for instance, a minority view or dissenting view in the committee report—that cotton is receiving a favored position in this legislation.

I certainly choose to differ from that assertion. Incidentally I have both wheat and feed grain producers in my district, as well as cotton. To make this bill equitable in its application to cotton as well as wheat and feed grain farmers, we need to revise the provision in the bill with respect to set aside. Therefore it is my intent to offer an amendment tomorrow to reduce the set aside authorization of the Secretary on the cotton section of the bill from 33⅓ percent down to 20 percent. That is, acreage equal to 20 percent of the farm base acreage allotment.

Mr. Chairman, I feel that there is no better way to sum up the reduced income for the cotton farmer in this bill than was done by the Secretary and his Assistant Secretary, Mr. Palmby, in response to a question which I posed on May 12 at a meeting of the Committee on Agriculture. Assistant Secretary Palmby responded to my question about the set aside proposal in this fashion:

> This requirement for diversion or set aside in the cotton program, I point out to you, is a less attractive feature than what is in the present Act for the cotton people.

Mr. Chairman, I might say in conclusion it is my present intention to vote for this legislation on the floor of the House for the reason that I feel the evidence preponderates for this legislation as being better than no legislation, or for this legislation as being better than going back to the 1958 act. But I would say let us equalize, let us equate, let us be fair among the various commodities covered by this program, and let us reduce the set aside authority by the Secretary of Agriculture from 33⅓ percent to 20 percent.

Mr. BELCHER. Mr. Chairman, I yield 7 minutes to the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD).

(Mr. GERALD R. FORD asked and was given permission to revise and extend his remarks.)

Mr. GERALD R. FORD. Mr. Chairman, during the 21 years that it has been my privilege to serve as a Member of this great body, I have seen many farm bills battled and battered on this floor.

I have seen proposals to literally enchain American agriculture, and I have fought those proposals.

I have seen some real fiscal follies designed and developed through the years and seldom have I seen the Committee on Agriculture in substantial agreement on anything.

I have seen many instances where the administration—be it a Republican or a Democratic administration—has been in a hammerlock with the Congress over farm legislation—be it a Republican or a Democratic Congress.

Yes, Mr. Chairman, the rhetoric during the past two decades on farm bills was usually shrill, generally emotional, and yes, inevitably partisan.

This year, for a change, we have a different legislative atmosphere as we consider H.R. 18546.

This year we have a bill which has the support of the chairman of the Agriculture Committee, the gentleman from Texas (Mr. POAGE), and the ranking minority member of that committee, the gentleman from Oklahoma (Mr. BELCHER).

This year the administration and the committee are working together to pass a farm bill.

This year the Committee on Agriculture, with only six dissenting votes—three Republicans and three Democrats—has agreed on a farm bill.

Yes, Mr. Chairman, the situation is different this year because the leadership of both parties agrees that it is in the national interest to have a new farm bill to replace the expiring Food and Agriculture Act of 1965.

This year there has been more light than heat in the farm bill dialog, so let us continue to use reason, not rancor, and analysis, not emotion, as we continue our deliberations over this important legislation.

Now when I said that this year's farm bill was different, I did not mean it was so different that there is not any controversy about it.

This farm bill is not ready for the Consent Calendar, believe me.

There are some features in it which I personally do not think are sound, and I am sure other Members of the House feel the same way. This is not the farm bill that I would write, nor is it the kind of farm bill the administration would write if it had the power to do so. It is a compromise bill which has the thoughts and writings of many. But, by and large, I am convinced that this bill represents the best bill possible at this time, even it if is not the best possible bill.

When I say this bill is the best bill possible, I mean that it is preferable, both to the farmer and the taxpayer than either a straight continuation of the 1965 act or a reversion to the old laws in effect prior to 1965. Either of these alternatives represent, in my opinion, a reversion to the antique notions of past farm programs which have done so much to hamstring the farmer and deplete the public treasure, programs which I, for one, have consistently opposed.

I think we all have to recognize that while in many ways this bill is similar to the legislation of the past, it at least contains some movement and direction toward the free market. It suspends quotas and controls on wheat and cotton, and it establishes a set-aside system that should help provide farmers with greater flexibility in the management of their own farms.

At the same time, this bill promises that the financial rug will not be pulled from under the American farmer for the next 3 years. It contains a commitment for the administration to continue to expend about the same amount of money on the three big commodity programs as is the case now.

As just one Member of this House I realize that our national prosperity is directly interlinked to our farm prosperity. Without a sound agricultural economy we are not going to have a sound total economy.

I therefore accept the fact that this bill is a form of subsidy to American agriculture.

I have not observed a developed nation in this world, which did not subsidize its agriculture one way or another, and our great country is no exception. The assistance we provide in this bill will, in the long run, be repaid many times over to American taxpayers and consumers.

That is why I am supporting H.R. 18546.

I do not intend to try to substitute my judgment for what a good farm bill is for that of the 27 Members of Congress who serve on the Committee on Agriculture and who brought this bill to the floor after 38 days of public hearings, 92 executive sessions, 27 night meetings, and a year and a half of negotiating nearly every sentence and word of this 57-page bill.

This bill is supported by the Secretary of Agriculture, by the administration, and by the Democratic leadership of the House and by me as the Republican leader.

I support it, and I urge all Members of the House to do likewise.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

(Mr. PICKLE asked and was given permission to revise and extend his remarks.)

Mr. PICKLE. I thank the gentleman for yielding.

Mr. PICKLE. Mr. Chairman, this farm bill concerns me as much as any bill before the Congress. The mechanics have been and will be dissected pro and con in the ensuing debate.

My concern regarding the technicalities runs deep. I have some reservations about this bill, but my primary concern regards the innuendo surrounding the farm programs. Despite arguments to the contrary, Mr. Speaker, this is a consumer's bill. Everybody in America eats, and what we do today will seriously affect the price everybody pays for food.

American agriculture is the strongest in the world; yet, ironically, our farm program is the most maligned in the world. I find it difficult to sit by while some would foster the false image of the "big, fat farmer who gets rich for not planting." This is simply not true, and I would admonish the big city boys for pushing this imagery. To do this, I must point out that one hardworking man on the farm feeds 44 of his people in the city. And, while prices are at an alltime high, the housewives of this Nation spend but 16½ percent of their husband's disposable income in groceries. Nowhere in the entire world can this record be matched—either in price or in quality.

Yet, the farmer is caught in one of the most severe cost-price squeezes to face any industry. Even with food prices, as high as they are, these prices come nowhere near paying the production costs.

The farmer does not enjoy the profit margin of his city cousins who are industrialists. And, yet the farm product has not risen in cost, nor suffered in quality, as have the majority of other consumer items.

The income margin has been repeatedly shaved closer to the farmer's pocketbook. Increasingly, the farmer has been left to his initiative, his capacity for hard work, and his technological expertise in order to grow more and more food for more and more people—and realize less and less. We are at the point of no return. If things get any tighter, we will see a mass exodus from the farm to the "greener" pastures inside the city limits. If today's farmer fails, naturally his son will not try to make a go of farming.

Mr. Chairman, the headline hunters have filled the Nation's media with hot charges that the fat, corporate farmer sits back and gets fatter while his crops are not planted. Again, I say this is a false image.

It is true that there are giant farmers in the Nation, but the real recipients from a diverted acreage program is the small farmer. By keeping some of the big boys in the program, we are encouraging the small, the individual farmer to keep his plow in the ground.

I am certainly no economist, Mr. Chairman, but I think I can make a sensible prediction. I predict that we would have even larger problems were we to, in one fell swoop, wipe out this particular program. Imagine, if you will, that perhaps less than 100 giant farms could feed this Nation. Given our technological advances, this is within the realm of the possible. But, should this happen, do not you imagine this Government would become a full-time policeman checking and rechecking the potential for price fixing, corruption, and related antitrust matters.

I submit, Mr. Chairman, that this Government will spend billion to subsidize the schools, transportation, water and sewer, social programs, housing and hundreds of other Government-supported endeavors—yet where is the hue and cry when abuses are shown in these areas, where is the indignant big city voice when corruption is shown within programs aimed at the poverty-line people who can ill afford such abuse.

Then, on top of this, try to explain to a farmer why this Nation can spend $1 billion on free food stamps, yet cannot spend $3½ billion on a program that will feed everyone, including the poor who receive the food stamps.

Mr. Chairman, only 3½ cents of the Federal dollar goes into a farm program. Three and one-half cents out of every Federal dollar—and we feed this Nation and others, to boot. I wonder if there is any other industry in this land which can do so much with so little.

We must continue to preserve the rights of the farmer—and, by doing so, we will preserve the rights of the American consumer. But, the farmer has the right to receive a fair return for his labor; the right to receive a fair return for the sale of his crop; the right to expect fair treatment from his Government; and every right to object to the distorted statements of the uninformed who would malign the man who works side by side with the sun.

Mr. Chairman, we must put a face on the farmer. It is folly to look only at national statistics. Let me quickly tell you of one farm family which exemplifies the farmer who loves his land and works it hard.

On July 4, while most of the Nation paused, I was driving in central Texas. The heat was unbearable. It came riding in on 102-degree beams of sunlight.

Just off the highway, a sun-burned arm raised from the wheel of a tractor in friendly greeting. The cloud of dust behind the tractor died down and we stopped to visit. As the conversation got underway, another tractor cleared the horizon—it was the man's 15-year-old son who was cutting the cane into the wind rows.

These, Mr. Chairman, are the real farmers. They are full-time farmers; they are legendary in that the head of the clan began farming in Travis County some 75 years ago. Most of his children—and their children—are farmers. And they all want to remain as farmers.

I was amazed at their keen perception of the farm bill, which was then still in embryonic stages. They asked about the possible outcome, about set-aside as opposed to diverted acreage—and the youngsters asked if there was any future for them in farming.

These are 100-percent farmers, Mr. Chairman. No moonlighters here. And they are concerned about their livelihood.

It looks like now I will have to tell these good friends that there has been a shift in this Government's farm program. This new 1970 model we are rolling out differs from the old bill in these major provisions:

An acreage set aside program will be set up;

Although parity is retained as a concept, the working papers on this include only wheat; and

Wheat, feed grain and cotton payments could be limited to $55,000 per crop year to individual farms.

Mr. Chairman, I do not know how the farmers in my district will take this news. How successful will the arguments be that this is the best compromise bill which could be forged out of an urban Congress.

Most important of all, however, is that the Congress must enact the best farm bill possible. It may well be that this bill is the best concensus opinion the House can muster and agree upon. Thus, it is vital that we move this or a similar bill to the other Chamber. Some programs have already lapsed. We are faced with this bill or falling back on an older farm program. Already, the farmer's sun has begun to set: we must hurry to help his program before economic darkness sets in.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. MEEDS).

(Mr. MEEDS asked and was given permission to revise and extend his remarks.)

Mr. MEEDS. Mr. Chairman, I rise in support of H.R. 18546, the Agriculture Act of 1970.

I know there has been a great deal of controversy surrounding this legislation and I would only like to point out to my colleagues that the agricultural economy of this Nation is a very diverse one. Perhaps it is almost impossible to combine the entire and diverse faction of agriculture under one roof. But I know the Agriculture Committee has labored long and hard to bring to the floor this bill which I think represents a delicate blending of all these interests. I would like to commend the committee and particularly the gentleman from Texas (Mr. POAGE) for his untiring efforts in be-

half of the agricultural community of this Nation.

I think the passage of this legislation is essential to a viable farm economy and that such an economy is essential to the betterment and welfare of all Americans.

Mr. Chairman, I would like to direct my remarks specifically to the class I base provisions of title II of this act. The Puget Sound region of Washington State has the only operation class I base plan presently in operation. I represent the majority of the producers furnishing milk for this marketing order area. I was involved in the drafting of the original class I base legislation which can be found in the Agriculture Act of 1965. Subsequently, I drafted and on two separate occasions helped pass through the House of Representatives legislation similar to that we are considering today. Unfortunately, on the first occasion of the passage of this type of legislation, these provisions were deleted in a Senate-House conference committee and on the second occasion of the passage of this type of legislation through the House of Representatives, the Senate, having insufficient time at the end of the 90th Congress, failed to pass it before adjournment.

Mr. Chairman, the class I base provisions of this legislation are not everything that I would like. Similarly, they do not contain all the provisions that some other persons interested in the dairy industry would like. Rather, they represent a blending of the interests of all dairymen and I think constitute a reasonably satisfactory compromise of the conflicting and divergent interests even of the dairy industry of America. With proper administration, it is my feeling that these class I base provisions can become guidelines for more orderly and satisfactory milk marketing procedures for the entire United States.

Mr. Chairman, at the outset, I think it would be a good idea to explain briefly a class I base plan. I do not intend to belabor the subject, but class I base plans are relatively complex. For the benefit of my colleagues who have not dealt in depth with this subject, using my limited knowledge, I would like to use a rather elementary illustration to shed some light on this subject.

If my colleagues would envision a pie which represents the fluid milk requirements of a given area, I think it would be helpful for the purposes of illustration. The fluid milk requirements are the requirements for milk which people consume in fluid form. That is to say, the milk you receive at your doorstep or purchase in the supermarket.

Under a class I base plan, the pie is divided among dairy farmers delivering milk for that area. These dairy farmers, or producers, are given a piece of the pie, based upon a history of deliveries during a past representative period. In this way, they have reasonably accurate knowledge of how much milk they will be able to deliver and how much they will receive for it.

And now, if my colleagues would envision a larger pie encompassing the smaller, I will designate the larger pie the manufacturing milk used to produce butter, cheese, and other dairy products. A lower price is received for the manufacturing milk. Under a class I base plan, all milk delivered by a dairyman over his share of the fluid milk requirements go into the manufacturing milk portion of the pie, and he receives for it a lower price.

The important thing to observe is that each producers knows the amount of milk for which he will receive the higher, or fluid milk price, and that he will receive the lower manufactured price for the balance. If his production costs are high, he will tend to regulate his production closely to his share of the fluid milk market. In this way, uneconomic production and resulting surpluses are discouraged, particularly in areas of the country where the cost of production is high.

Prior to the implementation of the class I base plan in the Puget Sound milk marketing area, a system of "blend-pricing" was utilized. Under this system, a share of the fluid milk requirements of each producer was based upon a "base making period." The base price was in no way related to the fluid milk requirements of the market. Each producer knew the base making period in advance. As a consequence, he tended to increase his production so as to achieve a higher base for the following year, even though the inevitable result was a reduction in the base price for all dairymen. This resulted in what became known, in our area, as the "base race."

The only way for a producer to maintain his share of the market was to compete against other dairymen in attempting to obtain a larger base each year. You see, the individual producer was actually producing, not for the requirements of the market, but to achieve a larger and larger share of the market.

Experience with the class I base plan under the order in the Puget Sound area demonstrated that the theory of the legislation is suond. But it became apparent that modifications were necessary if the plan was to operate under current conditions effecting the marketing of milk not only in that area, but throughout the United States.

You may well ask why other areas have not adopted the class I base plan if it appears to be sound. The fact is, dairymen supplying a number of other areas in the United States, including Georgia, Mississippi, Florida, Texas, and others are desirous of adopting class I base plans, but they wish to do so after the modifications which we are today suggesting, become law. The areas under consideration, it should be noted, are not areas of surplus milk production. The class I base plan is desired, however, because it will contribute to market stability, and for more fairness among dairymen supplying the market.

Mr. Chairman, there are in the legislation before the Committee today, two major modifications which should lead to the adoption of class I base plans in other areas and to the more orderly marketing of milk. These modifications are as follows:

First. Authorization for "new producers" to earn a class I base.

Second. Authorization for established producers, or base holders, to share in increased sales of fluid milk.

The 1965 amendment provided:

> Any increase in Class I base resulting in enlarging or increasing consumption, and any producer Class I base forfeited or surrendered, shall first be made available to new producers and to the alleviation of hardship or inequity among producers.

Unfortunately, Mr. Chairman, this was interpreted to mean that "new producers" could achieve at class I base only from enlarged or increased fluid milk consumption, or from forfeiture or surrender of bases by other dairymen. It was interpreted to prevent new producers from building a base which could be depended upon, regardless of fluctuations in the market.

If my colleagues again would envision the illustration of the pie I used earlier and envision further that while a new producer could share in increase in fluid milk requirements beyond the perimeter of the pie, a new producer could never be assured a permanent piece of the pie.

In a continually expanding market, with more sales growth than deliveries by new producers, this may not present substantial problems because all of the new sales went to new producers. But in a contracting market, one can see that a new producer would be in a tenuous position at best, because as the market contracts, the new producer would lose his share of the fluid milk sales. Also, an influx of new producers could dilute the benefits of market growth to meaningless proportions.

Under the new proposal, new producers are provided methods of earning bases upon which they can depend, in the same manner as other producers.

The second major problem alleviated by the adoption of the new class I base legislation is assuring established producers of sharing in the new sales. The language which I quoted earlier as preventing new producers from acquiring a base was also interpreted to prevent established producers from sharing the benefits of any increased fluid sales in the market.

This is corrected in the proposed legislation by providing that bases may be adjusted to reflect utilization of all producers "during a representative period of 1 to 3 years, which will be automatically updated each year." With this language, class I bases of new and established producers can be adjusted periodically to reflect increases in their delivery to the market.

It is my feeling, Mr. Chairman, that the Secretary should be very judicious in the utilization of the "rolling base period" provided by this language. I would certainly hope that representative periods reflect more than 1 year, lest we fall back into what we witnessed in the Puget Sound milk marketing order area prior to the adoption of the class I base plan, and which I alluded to earlier as the "base race."

There are other provisions in this legislation to specifically authorize use of yearly established seasonal base plans if dairymen supplying an area should so desire: the so-called Louisville plan

for making seasonal adjustments in prices paid farmers, and so forth, but the major changes are those which I have discussed in some detail; namely, assurance that new producers could establish class I bases and that established producers could share the benefits of increased fluid milk sales.

Mr. Chairman, I think it would be helpful to the Members to discuss very briefly how a class I base plan would be adopted by the producers in a given area. In our area, a class I base plan committee was established, composed of producers, marketers, and other experts in the area to be affected. After consultation and committee meetings with the dairymen and marketers, a class I base plan was drawn up and submitted to the Department of Agriculture. Public hearings were then held under the auspices of the Department of Agriculture.

After hearing, a recommended decision is rendered by the Department of Agriculture. Following exceptions, the Secretary of Agriculture may make changes, and the plan is then submitted to the dairymen supplying the area for their approval. This legislation specifically requires that any such plan be approved by two-thirds of the producers supplying the area before it can become effective.

The legislation also requires that every producer supplying the area vote as an individual on the class I base plan.

In conclusion, Mr. Chairman, it seems to me that passage of this legislation and with proper administration of class I base plan promulgated thereunder, the areas affected would be assured of a supply of fluid milk at reasonable prices. Further, it assures dairymen supplying the area of a share of the market which will be relatively stable. And, finally, it provides impetus for dairymen to coordinate production to the demands of the market, rather than to artificially encourage production for base acquisitions which bear no relationship to the demands of that market. Thus, it tends to key production of fluid milk to the demands of the fluid milk market and production of manufacturing milk to the demands of the manufacturing market, rather than to pit dairyman against dairyman in a futile effort to maintain shares of the fluid-milk market.

The inevitable consequence of this legislation is to stabilize milk marketing conditions in the interests of both dairy farmers and consumers.

Mr. Chairman, I would like to take a moment, because I am particularly interested in the dairy section, title II, to address some questions to the chairman of the committee (Mr. POAGE).

The committee report states that the class I base plan is designed to reduce dairy surpluses in areas of excess production. It was my understanding that the authority was intended for use in any marketing area where producers desired it, and that many of these areas were, in fact, not characterized by excess production. Does my understanding vary from that of the committee?

Mr. POAGE. It was the committee's intent not to restrict the use of class I base plans in any areas.

Mr. MEEDS. Further, it seems to me that the committee report dealing with producer-handlers is stated very succinctly in the first pargaraph, and that the following paragraphs all contradict the meaning of this first paragraph, which is explicit and which is in complete harmony with the 1965 amendment and which is restated in the legislation at hand.

Mr. POAGE. Yes. Without question, it is intended by this amendment, as by the 1965 amendment, that the class I base authority in no way changes the legal status of so-called producer-handlers under the Agricultural Marketing Agreement Act of 1937.

Stated very briefly, the Agricultural Marketing Agreement Act of 1937 authorizes the regulation of handlers, including handlers who produce their own milk. This is, in no way, changed by this legislation.

Mr. MEEDS. I thank the gentleman from Texas.

Mr. Chairman, I yield back the balance of my time.

Mr. POAGE. Mr. Chairman, I yield such time as he may require to the gentleman from South Carolina Mr. MCMILLAN).

(Mr. MCMILLAN asked and was given permission to revise and extend his remarks.)

Mr. MCMILLAN. Mr. Chairman, I will not try to reiterate the statements already made by my colleague in support of the pending farm legislation.

I want to congratulate our committee chairman, subcommittee chairmen, and minority members for the months and months of their valuable time they have given to this proposed legislation.

I know that this bill is not perfect and it leaves a great deal to be desired; however, we cannot afford to permit the one price cotton act to expire and we need the other sections of the bill even though they are not perfect.

I also want to congratulate the Secretary of Agriculture on his untiring efforts in assisting us in preparing this legislation. He has met with us more times on this proposed legislation than any other previous Secretary has ever met with the Agriculture Committee, I am certain.

Again I want to state my strong support of this bill and express my appreciation to Mr. PRICE and Mr. POAGE of Texas for giving us in detail the provisions of this legislation.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. SEBELIUS).

(Mr. SEBELIUS asked and was given permission to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Chairman, I am pleased to have this opportunity to discuss H.R. 18546, legislation that directly affects the man who is the backbone of America and the man who helps provide the highest standard of living of any nation in the history of the world. That man, of course, is the American farmer.

In considering this legislation, I think we have an urgent need to try to provide answers to a most serious and pressing dilemma—the same dilemma farmers have faced many times in our Nation's history, but never before with such complexity and change.

The farmer today has been and will be asked to produce enough food for a hungry world and yet he is the victim of economic and political factors which deny him a fair price for his labors. This problem is compounded in that it comes at a time when our society is caught up in a whirlpool of change. The problem is so serious that such issues as world starvation and world peace might well hang in the balance.

Unless we can find a remedy for farm price discrimination, the agricultural segment of our economy is courting disaster, and a traditional way of life will hasten its now slow departure from the American scene. How can the farmer survive if everything he sells goes down in price and everything he must buy has gone up and keeps climbing? The answer is simple: he cannot.

Today, the farmer looks to Washington for some sign of optimism, a sign that dawn will break to brighten the bleak cost-price picture. With this legislation, we need to take a commonsense look at the plight of the man whose job it is to feed America and to help feed a troubled and explosive world.

Prior to considering this most important legislation, I think it is important to realize what a tremendous role agriculture plays in our economy. Although there are only 3 million farmers in the United States, agriculture is still by far the largest single industry in our Nation.

Agriculture generates jobs for nearly 40 percent of our employed workers, either by providing the raw material on which they work, or by providing the market for the products or commodities that they produce. Agriculture employs more people than the steel, auto, utilities, and transportation industries combined. Obviously, then, this legislation should be considered as directly affecting our Nation's work force and as a means by which we can provide jobs and employment.

It is also important to consider agriculture's total impact on our national economy. Farmers annually spend more than $36 billion for goods and services just to produce their crops and livestock. Each year, the farmer buys products containing 320 million pounds of rubber, enough to put tires on nearly 7 million automobiles. The farmer uses more electricity than is consumed in the cities of Baltimore, Boston, Chicago, Detroit, and Washington, D.C. combined. Every year he uses 5 million tons of steel in the form of machinery, trucks, cars, fencing, and building materials. Farm use of steel accounts for 40,000 jobs in the steel industry. Obviously then, H.R. 18546 is legislation that will benefit industry and the blue collar worker.

From an investment standpoint, agriculture's total assets of $298 billion equal two-thirds of the value of current assets of all U.S. corporations or about one-half the market value of all corporations' stocks traded on the New York Stock Exchange. Obviously then, H.R. 18546 directly affects our national investment picture.

Exports of U.S. farm products totaled $5.7 billion in fiscal year 1969. This includes $4.7 billion in commercial sales and $1 billion in food aid, a significant contribution toward our goal of a favorable balance of payments so important in maintaining a stable economy. Obviously then, H.R. 18546 is legislation that directly affects our world trade picture and our balance of payments problem.

In short, agriculture is the backbone of American business. There is twice as much investment per capita behind each agricultural worker—$50,000—as there is behind each industrial worker—$25,000.

The point I am trying to make is that as we consider H.R. 18546, we are not only considering a farm bill, but the very future of our national economy. This bill not only concerns farmers, it concerns jobs, industry, investment, world trade, and our national standard of living.

I also think it is important to put the worth of the current farm program and the proposed farm program in proper perspective. I know the spotlight of public concern and attention is focused on the very real plight of our cities and the problems of urban America. Seven out of 10 Americans live in urban areas and we must implement massive assistance to rescue our cities.

We really find ourselves in a paradox. Farmers who find they cannot make it stream to the cities. On the other hand, city dwellers, crowded together in huge urban complexes with problems that almost defy Government, desperately seek the solace of the countryside and the traditional way of life of the American farmer.

The point is that our urban and rural problems are really inseparable and I would hope we can discuss this legislation in a framework of mutual concern. This is not a farm bill as such but a bill to seek answers to the pressing problems of rural America which in turn directly affect the problems of urban America.

In this light, I think it is important to reconsider this legislation from the standpoint of the consumer. My urban colleagues and their constituents and consumers all across this Nation have been repeatedly told the farmer is paid huge sums of money for growing nothing. And the American consumer has also justifiably rebelled against the high cost of living, and in particular, against the high cost of food. A major thrust of this protest has been directed at support payments, or subsidies, for farmers.

Everyone agrees we need to seek new direction for agriculture program policy. However, I think we need to take another look at this so-called subsidy.

A better term to use would be "consumer subsidy" for, in fact, the farmer has subsidized the American economy and the consumer. The American consumer spends more disposable income for nonfood items, 83.5 percent in 1969, than any consumers in any other country in the world. Agricultural efficiency has enabled the American farmer to provide food and fiber for himself and the needs of 44 other persons, thus freeing a tremendous national labor supply.

In return, the farmer must have income stability to permit him to adapt with confidence to the latest technological developments in his profession and to make a decent living.

Actually, today the housewife spends only 16.5 percent of her disposable income after taxes for food as opposed to 21 percent in 1957. This reduction in percentage of income spent on food has saved the American consumer a total of $20.6 billion in food expenditures in 1969, allowing this income to be spent on nonfood items and boosting economic growth in nonfood industries. This is quite an investment compared to an annual outlay of over $2.4 billion in crop subsidies in a program that tries to maintain stability and minimum costs in food production.

The 16.5 percent food cost figure compares with 25 percent for Great Britain, 28 percent for West Germany, 37 percent for Japan, 50 percent for Russia, and as much as 75 to 80 percent in many countries in the Far East.

This comparison has even greater impact when the diet of the American consumer is considered. Agriculture's technological revolution has enabled the American housewife to buy preference food—beef, pork, poultry, and dairy products—and higher quality convenience foods. Again, the American housewife buys more food with a smaller percentage of her disposable income than the housewife in any part of the world and at any time in history.

It is also important to keep food costs in perspective. Between 1957 and 1969, the price of food purchased for use at home increased 25.8 percent. This compares to a price rise of 26.4 percent for transportation, 48.3 percent for all services, and 58.1 percent for medical care. The overall cost of living in December 1969 had risen 31.3 percent over the same period.

Although payment provisions to farmers in farm legislation are in actuality subsidies, perhaps in light of the information just discussed, they should be called "consumer guarantees" in that they do make sure the American consumer gets the best quality food at the lowest cost in the world.

These same payment provisions have created considerable misunderstanding and controversy regarding this legislation. Almost every segment of the economy has received either direct or indirect subsidies and usually for good reason—railroads, shipping, airlines, tariffs and quotas protecting American industry and manufacturing, magazines, et cetera. In fact, agriculture, in spite of being the largest U.S. industry, has received only $5 in the past 50 years for every $1,000 Americans spend for subsidies.

In this respect, may I point out the price of food, clothing, and shelter is going to be paid either by those who use them directly or through taxes, or by the land from which they come. The people of India and China throughout the centuries demanded food and fiber below the cost of production. The cost was paid by the land from which it came. As a result, the land is worn out. Yet, we ask our wheat producers to market wheat for around $1.20 a bushel, whereas the cost of producing a bushel of wheat is around $1.70.

Were we to immediately remove all Government from agriculture without new farm legislation, farm production at the present rate could not be maintained. Without favorable farm legislation proposed in H.R. 18546, farmers could not buy and operate the equipment and supplies essential to the production of adequate food and fiber for the American people.

Simply stated, our future supply of food and fiber is dependent on enactment of this proposed farm bill. The only other way of maintaining this needed production would be by raising the price in the market place. Certainly many farmers would like this, but the consumer revold would be something to behold.

We must also remember that the farmer only receives about one-third of what the housewife spends in the grocery store, and that share is constantly decreasing. Therefore, if the farmer now receives $3 billion in subsidies, it is likely this expenditure is reducing consumer costs by something like $9 billion.

Mr. Chairman, the need to enact this legislation is most urgent. Improving farm income is an immediate goal. There has been a 30-percent loss in farm population in the last 9 years. As the farm population disappears, our rural communities also lose business establishments and population. In my First Congressional District of western Kansas, we lost 36,000 people in the 1960's.

This outmigration has resulted in spite of the fact most people prefer to live in the countryside. According to a recent Gallup poll, over 50 percent of our population would prefer to live in rural and small-town America if they could earn an adequate living.

Passing this legislation is a necessary first step in our efforts to revitalize rural and small-town America and to reverse our population migration. It also seems to me this is the most obvious and direct solution to problems relating to urban congestion, crime, welfare, housing, hunger and malnutrition in our Nation's cities. We must create in rural America a new environment of jobs, education, and favorable living conditions. We need to stem the migration to our cities and then reverse it. Americans of tomorrow should have a real choice of where they want to live.

I am of the opinion H.R. 18546 is the best bill we can obtain in the House of Representatives. I believe it does represent a new approach to our farm program policy. In this regard, I would like to discuss several key aspects of this legislation that I feel are most important to the Nation's leading wheat producing district.

H.R. 18546 is made up of eight titles containing provisions for payment limitations, dairy, wool, wheat, feed grains, cotton, Public Law 480, and miscellaneous items. The key provisions I would like to discuss involve wheat, feed grains, dairy, and the overlooked but nevertheless most important provisions for cropland conversion and long-term land retirement.

In brief, the wheat section of the bill:

First. Suspends both the marketing quota program for 1971, 1972, and 1973.

Second. Provides domestic marketing certificates to farmers participating in the set-aside program in an amount equal to U.S. food consumption—about 530 million bushels annually.

Third. Sets the face value of these domestic certificates at the difference between the wheat parity price—current $2.82 per bushel—and the average price received by farmers during the first 5 months of the wheat marketing year, which starts on July 1.

Fourth. Provides for a preliminary payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment—if any—would be paid in December. If the Secretary's estimate were too high, no refunds by farmers would be required.

Fifth. Continues the cost of certificates to wheat processors at 75 cents per bushel.

Sixth. Authorizes the Secretary to set nonrecourse loans to participating farmers from zero to 100 percent of the parity price for wheat.

Seventh. Establishes a set-aside program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary.

Eighth. Authorizes payments to participating farmers for any additional set-aside acreage and for permitting public recreational access.

Ninth. Authorizes Secretary to permit wheat and feed grains substitution—Sebelius amendment.

Tenth. Continues wheat certificate payments based on projected yield—Sebelius amendment.

The feed grains section of the bill:

First. Establishes a voluntary feed grain—that is: corn, grain sorghum, and barley—program for 1971, 1972, and 1973.

Second. Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between not less than $1.35 per bushel—for corn—and the average market price for the first 5 months of the marketing year—which starts on October 1 on corn and grain sorghum and July 1 on barley.

Third. Authorizes the Secretary to set nonrecourse loans at zero to 90 percent of feed grain parity prices.

Fourth. Authorizes additional set aside and public recreational access payments.

Fifth. Establishes a "set-aside" program under which participating farmers would be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

Sixth. Provides for a "preliminary" payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and $1.35 were more than 32 cents during the first 5 months of the marketing year, an additional payment would be made. In no event would refunds by farmers be required.

Seventh. Authorizes Secretary to permit feed grains and wheat substitution.

The dairy section of the bill:

First. Extends and amends the authority for the dairymen's class I base plan in Federal milk market order areas. It specifically guarantees competitive access to class I base plan markets by established producers outside the market order area. Appeal procedures under present law remain unchanged.

Second. Suspends the operation of the mandatory butterfat price support program for farm-separated cream and permits the Secretary to set lower support prices on butter.

Third. Extends the Secretary's authority to donate dairy products owned by CCC to the armed services and veterans' hospitals.

Fourth. Extends the Secretary's authority to make indemnity payments to dairy farmers who through no fault of their own have their milk contaminated by and condemned because of the presence of pesticides and residues.

The wheat section of the farm bill assures the farmer 100 percent of parity—presently $2.82—on his domestic production, approximately 50 percent of his total crop. It seems only reasonable that the farmer who must buy retail and sell wholesale for this production should receive parity with the rest of society on the domestically consumed portion of his production. The market price is approximately 40 percent of parity. To expect farmers to survive at these prices while paying the American cost of production is beyond conception and would destroy the family farmer and agriculture as we know it today.

In return for this production incentive payment—the wheat certificate—the farm cooperator will set aside a given acreage and conserve land and water resources to guarantee adequate food and fiber for future generations. The farmer will have the option of saving additional land and water resources for additional diversion payments. Producers may elect to plant and graze on the set aside acreage sweet sorghum and to plant and harvest several other soil-building crops.

To add freedom and flexibility to farm management decisions, the substitution provision authorizing the substitution of wheat and feed grains production to preserve allotment history is extended to include all allotment acreage. This will allow maximum farm response to changes in supply and demand and guarantee increased production efficiency. Also, farmers may voluntarily idle land, not planting their allotment, without the threat of reducing their allotment history if price support or diversion payments are not accepted.

An important provision to maintain future certificate payments on the basis of projected yield is included in the farm bill. This provision to guarantee equity in the distribution of farm payments is vital if we plan to keep our most efficient farmers in agriculture and provide adequate incentive for young efficient producers to enter farming. The Secretary shall make adjustments if an exceptionally low yield is shown to be the result of drought or other natural disaster during the year used as the base period.

The Secretary will continue the present wheat loan program for participants. Wheat certificate payments will be based on the difference between parity and the average market price received by farmers in the first 5 months of the marketing year. Since the market price is lowest during this period, this provision will have minimal effect on the value of wheat certificates.

Since the proposed legislation extends the same discretionary authority to the Secretary of Agriculture regarding the loan level as the 1965 act I have urged Secretary Hardin to use his authority to establish the wheat and feed grains loan at the highest possible level. It is imperative that the wheat loan level remain approximately at its present level to not only maintain but improve farm income throughout the duration of this bill.

The Secretary is also authorized to make payments to reimburse participating farmers who permit land use for public recreational access. This proposal has considerable merit and is exemplary of the kind of planning we need to provide recreation land use for future generations.

The feed grains section establishes a voluntary feed grain program for 1971, 1972 and 1973. It provides production incentive payments to participating farmers on one-half of their feed grain base. The payments would be no less than 32 cents per bushel for corn—with corresponding rates on grain sorghum and barley—and the total of the payment plus the loan would be no less than $1.35 on half of the base for corn.

The substitution of feed grain and wheat production to protect allotment history is included. Also, the provisions dealing with set aside acreage, additional diversion, public recreational access, and voluntary producton reduction are similar to the wheat section of the proposed legislation.

H.R. 18546 recommends a simple extension of Public Law 480 without amendment. In moving our agricultural abundance abroad, Public Law 480 has served many purposes. It has promoted agricultural trade with friendly underdeveloped nations and has facilitated the development of these nations while achieving greater commercial trading partner status with them. It has furthered the foreign policy of the United States in the process of providing a large volume of food to hungry people throughout the world.

This provision and the other sections of this legislation will allow us to accelerate our efforts to beat our swords into plowshares and to accomplish our objectives to achieve world peace and reduce world hunger and malnutrition.

This bill does not contain all of the provisions my staff and I worked on or as many dollars for the farmer as I had hoped to guarantee. I have several major concerns in addition to the need for the

present loan rate on wheat to be continued.

While the Cropland Conversion and Greenspan proposals for long-term land retirement are extended by H.R. 18546, I am concerned that the appropriations level of $10 million annually for each program is inadequate. These are not enough funds to determine the impact of long-term land retirement programs on our economy and to provide proper safeguards for an adequate food and fiber supply in the future through effective water and land resource conservation. In addition to the need for accelerated conservation efforts, these programs should be greatly expanded to protect the quality of our environment and to provide more opportunity for open spaces, clear water, clean air, and outdoor recreation. I plan to introduce legislation including the retirement of poor land for conservation purposes in the next session of Congress.

Another concern is the production base concept originally conceived to accompany the set-aside approach. It was labeled a new and more positive approach to supply management. However, the proposals to implement this concept indicated that in fact it only created new sets of inequities without providing relief to areas such as my district in western Kansas with a disproportionate share of the conserving base requirement. I urged the USDA to modify its proposals to remove the present conserving base inequities and avoid new inequities. After considerable effort, the Department of Agriculture failed to rectify this situation, the concept was abandoned and the set aside will be allowed to operate as originally proposed. We still have, however, an urgent need to adjust inequitable conserving base allotments.

While this bill does not contain all of the provisions my staff and I worked on or as many dollars for the farmer as I had hoped to guarantee, I think this bill will sustain American agriculture. I think the set aside approach is a gradual step toward a more producer-oriented agriculture. Hopefully, new market outlets for agricultural production, such as a grain alcohol substitute for lead in gas mixtures and similar proposals for other commodities will be developed and expanded during the duration of the program so the farmer may obtain parity at the marketplace—the goal of both farmers and consumers.

This omnibus farm bill must be passed to guarantee future economic growth and prosperity in the domestic economy, to guarantee an adequate food and fiber supply for future generations, to reduce hunger and malnutrition, both domestically and abroad, to accelerate our efforts to attain world peace, to protect the quality of our environment in the countryside and the cities, and to expand and improve recreational opportunities. Early enactment of this legislation is vital not only to agriculture, but is necessary to insure hope in America's future.

THE LATE HONORABLE MICHAEL J. KIRWAN

Mr. POAGE. Mr. Chairman, I yield 30 minutes to the gentleman from Ohio (Mr. FEIGHAN).

(By unanimous consent, Mr. FEIGHAN was allowed to speak out of regular order.)

The CHAIRMAN pro tempore (Mr. SMITH of Iowa). Mr. Chairman, the Chair recognizes the gentleman from Ohio.

Mr. FEIGHAN. Mr. Chairman, it was with deep regret that I learned to the passing of our distinguished colleague from Ohio, the able and beloved MICHAEL J. KIRWAN, affectionately known to all as MIKE.

MIKE was born in Plains near Wilkes-Barre, Pa., December 2, 1886, and was reared in humble surroundings in the coal mine region.

MIKE KIRWAN was truly a man of many facets. As a boy he worked in the coal fields and as a youth he traveled throughout the United States. He lived his life in the tradition of the American boy in search of himself. He worked his way across the wild west as a trainman here, as a cowboy there, then in oil fields, wheat fields, and even a lumber camp.

During World War I, he served as an artillery sergeant in France.

He served two terms as a member of the Youngstown City Council representing the fourth ward. MIKE was first elected to Congress in 1936, and served his constituency faithfully until his death.

From his humble beginnings, he forged ahead as one of the main bastions of power in the Democratic Party as the chairman of the Democratic National Congressional Committee since 1947 and in the Congress as chairman of the Interior Subcommittee, and later as chairman of the Public Works Subcommittee of the House Committee on Appropriations. He served as a member of the Rivers and Harbors Committee from 1937 until 1943. He was a national vice president of the National Rivers and Harbors Congress.

Long before the nationwide concern it has today, MIKE took a positive interest in the preservation of our national environment. The impact of his far-reaching proposals can be seen throughout the Nation. The great system of power dams, reservoirs, and waterways in the United States are in a great measure a result of his leadership. MIKE's deep concern was the welfare of the people of the entire Nation.

MIKE was a very unusual person. From his humble surroundings and lack of formal education, to have carved out such an extremely successful career in the service of his fellowman, was indeed a remarkable achievement. He had unswerving belief in his Creator and boundless confidence in his fellowman. He was kind and considerate and yet firm in his convictions and truly dedicated to every cause which he felt was right. MIKE's word was his bond. He felt a deep responsibility to help those with whom he lived and for his constituents for whom he worked untiringly.

I was privileged to be MIKE's friend and colleague for almost 30 years, during 8 of which MIKE was dean of the Ohio congressional delegation. Indeed, he was a man who never lost his simplicity. He always had compassion for his fellowman, perhaps because he understood me than MIKE KIRMAN. So I can say:

MIKE acquired numerous honorary degrees and was even a member of the Cowboy Hall of Fame and had been appointed a member of the Board of Regents of the Smithsonian Institution as well as the recipient of many awards for his efforts in conservation.

The Nation has lost a distinguished legislator. My family and I extend our sympathy to the members of his family.

Mr. Chairman, when the Committee rises, I will ask unanimous consent that all Members may extend their own remarks and include extraneous material, and in my own remarks I will include a telegram of condolence from President Nixon:

SAN CLEMENTE, CALIF.

Mrs. MICHAEL J. KIRWAN,
Washington, D.C.:

Your husband's death brings sorrow to the hearts of those he served so tirelessly and so effectively, and it deprives the nation of an articulate public servant. Mrs. Nixon and I send you and your family our deepest sympathy, as well as the hope that the achievements that distinguished your husband's career may now be a source of strength and comfort to you. May God bless you always.

RICHARD NIXON.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the distinguished gentleman from Pennsylvania.

Mr. FLOOD. I thank the gentleman from Ohio.

Mr. Chairman, as the gentleman knows, no one was dearer or closer to me than MIKE KIRWAN. So I can say:

He is not dead, as we that are left shall die;

Age shall not weary him, nor the years condemn.

At the going down of the sun, and in the morning,

We will remember him.

MIKE KIRWAN has departed this earth at the end of a life of determination, dedication and hard work.

The outstanding funeral tribute in Youngstown, Ohio, last Thursday, when many of his congressional colleagues attended was an indication of the high place that MIKE KIRWAN held with his constituents, his fellow public servants and all those who knew him.

His passing was a bit more sorrowful for me, Mr. Chairman, since Congressman MIKE KIRWAN was more than a colleague. He was a dear friend, a trusted companion, and a man whose friendship I beheld.

When I first came to Congress in 1945, MIKE KIRWAN took me by the hand and led me through this building and through the mysteries of this House. I was always very proud of my association with him, since Congressman MIKE KIRWAN, like myself, was a native of the northeastern Pennsylvania coal fields, born in the town of Plains, only a few miles from my home in Wilkes-Barre. He worked in those mines with my family, my neighbors, my relatives and my friends.

MIKE KIRWAN's life was rugged in every sense of the word, always filled with the determination to pursue the right and the proper.

His career began at the tender age of 7 as a slate-picker in the Heidelberg Coal Shaft near Wilkes-Barre. He used to kid us at the University Club, when we would ask each other, "From what

fectively that the dam would protect the vital steel mills of the Mahoning Valley from drought and flood—and nature proved, a year or so later, that the protection was needed.

Was Proud of Statue Symbolizing "Mr. Democrat"

A simple man in many respects, Mr. Kirwan for several years treasured a statue of "Mr. Democrat" in his Washington office.

The statue shows an Irish workman with his sleeves rolled up, ready to fight. There were only five made, and Lyndon Johnson, while in Congress, gave his to the Youngstown congressman.

FOUR HAD COPY

Later, as President, LBJ borrowed it back for deposit in the $40-million Johnson Library being constructed in Texas. Another copy, given to FDR, is in the Hyde Park Museum.

It was Mr. Kirwan who made the statue famous and it always will be associated in the minds of Johnson and other Kirwan colleagues at Washington with the Irish-American congressman from Youngstown.

His service in government brought Mr. Kirwan national and even international recognition. Arkansas State University, Toledo Municipal University, and Vincennes University of Indiana, each conferred doctor of laws degrees on the Youngstown legislator.

HONORED BY YU

Oklahoma City University conferred on him a doctor of humanities degree; the University of Colorado, a degree of doctor of civil laws and Youngstown University, a degree of doctor of conservation.

Mr. Kirwan's brief biography in "Who's Who in America," lists membership only in the American Legion and the Veterans of Foreign Wars. However, he received more than three-score citations and commendations during his career, and was made an honorary member of many organizations, including the Downtown Kiwanis Club and United Labor Congress. He also was admitted to Indian Tribes and given other symbolic memberships.

MET WORLD LEADERS

His travels as congressman brought him into contact with many of the world's leading statesmen, among them the former King of Greece. He also always was in close touch with the Irish ambassador to the United States, especially around St. Patrick's Day.

In his work as an appropriations subcommittee chairman, Mr. Kirwan visited project areas, frequently taking what might be regarded as unattractive congressional junkets to see the needs first-hand. One of these trips took him to American Samoa, and an educational television and radio station there is named after him.

Island Housing Projects Were Named in His Honor

A housing project in Campbell is named for him; so is one on St. Thomas, Virgin Islands, where officials and citizens wanted to recognize the help he gave the islands while on the Interior appropriations subcommittee.

The Youngstown district has known Mr. Kirwan and supported him as a champion for water resource development here and as a congressman aggressive to get full considerations in federal allocations for education and other purposes.

FOUGHT FOR CANAL

Almost single-handed at times, Mr. Kirwan battled for the Ohio River-Lake Erie Waterway, and through his work a favorable recommendation was made on it. Opposition of Pennsylvania and lack of Ohio support have thus far frustrated accomplishment of "Kirwan's ditch," as some opponents dubbed it.

Despite frustration about the waterway, 1969 brought to a successful climax one of Mr. Kirwan's most cherished projects, an aquarium for the nation's capitol. Ground is to be broken when the federal new building freeze is lifted for the $10 million project, expected to become a top tourist attraction.

Citations and awards line the walls of Mr. Kirwan's congressional offices in Washington. Among them, perhaps, should be mentioned Time Magazine's calling him a "nation builder" in October, 1966; "Vision Future" Washington Memorial award of the National Rivers and Harbors Congress given in June, 1965; Ohio Valley Improvement Association honor in October, 1965; 55-year membership pin of the Brotherhood of Railroad Trainmen, June, 1968.

ESCORTED FDR HERE

Mr. Kirwan's association with presidents and others of the nation's great was extensive. He rode with the late President Roosevelt as he came to inspect plants here prior to the outbreak of World War II.

He campaigned with the late Adlai E. Stevenson in his Democratic presidential campaigns of 1952 and 1956. He made plane trips with JFK to the Far West, to Arkansas, to the funeral of House Speaker Sam Rayburn in Texas, and to view East Coast storm damage. In the 1968 campaign, he introduced Vice President Hubert H. Humphrey on the steps of Stambaugh Auditorium as he brought his presidential campaign to Youngstown.

Got Truman as Speaker

Mr. Kirwan arranged the visit of former President Truman to Youngstown in 1962, and was responsible for a succession of distinguished Democrats speaking at Democratic dinners here. Once he even went out of his way to procure a distinguished Republican speaker for the Mahoning Valley McKinley Club's annual dinner.

Always at work for some project in the district, Mr. Kirwan was given much credit for getting a branch office of the federal district court here, and getting the appointment as U.S. district judge for Frank Battisti, who was elevated from the Mahoning County Common Pleas bench. He also helped to establish the Mahoning Valley Vocational School at the airport.

WAS CLOSE TO RAYBURN

Among Mr. Kirwan's intimates at Washington were the late Speaker of the House Sam Rayburn of Texas and the present speaker, John McCormack of Massachusetts. Speaker McCormack's has likened Mr. Kirwan's career to that of one of the Horatio Alger's heroes. Such public figures as Chief Justice Earl Warren and Presidents Johnson, Truman and Kennedy heaped praise on Mr. Kirwan for diligent work in Congress and in the field of conservation.

The late newspaper columnist, Raymond Clapper, once asserted that Mr. Kirwan got more federal money for his district than any other legislator. News columnists frequently commented on Mr. Kirwan's work, among them Drew Pearson, who sometimes got into Kirwan's hair over what he termed "pork-barrel" conservation projects. Mr. Kirwan always was quick to respond.

WON ELECTIONS EASILY

While Mr. Kirwan won elections to Congress in the 1936 FDR landslide by a comparatively small majority, he had wider margins in most elections therafter. Often nothing more than what might be termed "token opposition," appeared.

In 1938 he had perhaps his narrowest fight, winning over the late Atty. William P. Barnum, who had been a common pleas judge and county Republican chairman. In recent elections, Mr. Kirwan often received 65 to 70 per cent of the vote cast, and the 19th Ohio district came to be regarded as a safe Democratic district.

As a campaigner, even after many years of service, Mr. Kirwan was a man-to-man operator, often traveling around the district day after day, seeing people. In some recent campaigns, however, he became so deeply involved in the national effort that he had little time to spend here. His friends carried on for him, and in quick visits he managed to cover much territory.

SENT FLAGS TO SCHOOLS

Mr. Kirwan sent scores of American flags to schools, veterans posts, Scout troops and other organizations after they had flown over the Capitol. Few knew that each involved considerable expense to him.

Mr. Kirwan was a special guest and speaker at hundreds of dedications over the nation, among them the Honolulu Harbor modernization project dedicated in 1959.

His wide interests showed up at every turn in his career. For instance, he was instrumental in obtaining the designation of William Holmes McGuffey's boyhood home in Coitsville Township as an historic site. He also was credited with getting the royal Spanish portraits for the Arms Museum in Youngstown.

Volunteers of America named him to their National Advisory Board in 1964, and he took a keen interest in their work.

AGRICULTURAL ACT OF 1970

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Chairman, once again one of the favorite whipping boys of the Congress has come before the House of Representatives for consideration today and tomorrow. I refer to the Agricultural Act.

There will be those in this Chamber who will be voting against this bill for economy, because this happens to be an agricultural act. I certainly cannot disagree with economizing in Government, but I wonder where some of them are when some of the other bills come up. It is rather strange to take a head count and to see that we have some economy-minded Members when only agricultural bills are involved, but when some of their urban bills come before this House they never think about economy.

I believe it is time to economize across the board. The people who want to economize here are looking and judging two areas, first they say that we can save money here, and second, they say we can go back to an older program, and that this bill is not needed.

I believe they are ignoring the true purpose of an agricultural act; that is, to retire unneeded land. We are blessed in this Nation with the gift of being able to produce more food and fiber than we can consume. Thank goodness we have that blessing.

The purpose of our agricultural program is not to guarantee an annual income to the farmers, and it is not to preserve any one farmer on the farm. If it were, a limitation on payments would, of course, work and be advisable. But the very purpose and intent of the farm program is to restrict and to hold production in line with consumption.

With this in mind the Committee on Agriculture, in a bipartisan effort, working with the administration, has come forth with the only agricultural bill that will be coming before this Congress this year.

Here again we are being advised, "Just defeat that bill before the House of Rep-

resentatives and we will come back with a better bill." This ignores the fact that the Committee on Agriculture has been working for the last year and a half constantly toward developing a new farm program, a program that will let farmers realize a greater income, a greater share of our great national wealth.

Those people who are proposing that we defeat this bill tomorrow are ignoring the fact that we are reaching the end of this session of the Congress and that the existing programs will end with the harvesting of the crops this year. There just will not be enough time for us to come back this year with any other farm bill.

Agriculture is a basic industry. It is one of the two basic industries we have in the country today. The economists here well know that the basic industries, of course, are mining and farming.

Agriculture is basic because nobody else touches the product before the farmer produces it. It is basic also because, as has been said this afternoon, if the farmer does not make money no one else is going to make money. Our Nation's economy is dependent upon a healthy and prosperous farm economy.

We all must admit that our economy is somewhat delicate today. Perhaps just the slightest bit of lack of confidence shown by the Government, by the Members here, to indicate that we want to change that economy, might be the straw that breaks the camel's back. I do not believe anyone here wants to take that chance.

Sure we want to save money. But is it really saving money for the American consumers? Every one of us is a consumer. We are eating today cheaper in percentage of spendable dollars than ever before in the history of the Nation, and we are eating cheaper than any other civilized nation in the world. We must continue to provide the foodstuffs on the shelves of our stores of this Nation.

Yes, too many of us take for granted, when we go down to the grocery store, that the products will be there. We do not realize where it comes from, why it got there or how it got there.

It is because the farmer has stayed technically ahead of all other industries, doing a more efficient job. The farmer has been able to do the job which was discussed this afternoon, of meeting the cost squeeze. There is a price, wage and cost squeeze that the farmer has met and has still been able to stay in business. He has done it by efficiency and some help from Federal farm programs.

All of us are consumers. This bill is a consumers bill. What will happen if this bill is defeated? Agriculture will, of course, survive, but many of the people who are now calling themselves farmers in this country, will not be around. What will be the actual result to the consumers? The taxpayers of this Nation are going to pay a lot more through increased food prices. The railroads have been mentioned here. We have seen where railroads have been consolidated today. We do not have nearly as many competitive railroads today. Look at the dilemma they are in. Competition is healthy. If we have to help competition by making sure that we keep the little farmer out on the farm, the way to do it is to enact the legislation before us today.

A farm program is needed to keep our agriculture economy healthy, to maintain a stable national economy.

Mr. POAGE. Mr. Chairman, I yield such time as he may use to the gentleman from Mississippi (Mr. MONTGOMERY).

(Mr. MONTGOMERY asked and was given permission to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Chairman, I am in support of H.R. 18546, the Agricultural Act of 1970. I hope the membership will support this bill and the one committee amendment. Tomorrow a substitute amendment will be offered and I rise in opposition to the amendment to put the limitation on subsidy payments at a most unrealistic level of $20,000. Such action will only serve to wreck the agricultural industry which we are so valiantly trying to preserve with the bill under debate. If this amendment were passed it might well result in defeat for the Agricultural Act of 1970. I feel sure my colleagues who are so determined to limit subsidy payments would not want this to happen. If they had taken the time to study the agricultural situation, they would know that without a new farm bill we will revert back to the legislation in effect in 1958. This would prove disastrous to agriculture within 3 years and would prove to be much more costly to the Government than allowing a total of $55,000 in subsidy payments as provided for in H.R. 18546.

Let us consider some other industries. Manufacturers readily regulate production to prevent price disasters. Because of their large numbers, farmers historically have not been able to do this without a farm program to serve as a guide. The farm bill we have under consideration with a realistic maximum payment level of $55,000 permits them to do this.

The farm program has worked the past few years and will continue to work in the future only if we set the guidelines for farmers to cooperate in diverting acreage from surplus crop production into soil-conserving uses. Many do this at a financial sacrifice because they know balanced supplies are in the best interest of all.

It should also be noted that the large farmers at whom this amendment is pointed realize that without a farm bill they would unwillingly drive small farmer leaves the country he heads less efficient operations. I would remind my urban colleagues who are supporting this amendment that when the small farmer leaves the country he heads straight for the big city which results in increased pressure on the urban areas.

All who cooperate earn, and are entitled to, reasonable compensation for acreage diversion. Nowhere have I heard of a limitation on payments when a city takes real estate for urban renewal, or when a State takes land for a highway. Would my colleagues be willing to set a limit on how much could be paid under eminent domain proceedings for the Interstate Highway System, no matter how much land was in question. I know I wouldn't and I don't think they would.

The farmer who is asked or required to divert 100 acres from surplus production expects to be paid more than his next door neighbor with comparable land earns for 50 acres of diversion. And why not? His investment is twice as great, his taxes twice as great, and his risk is twice as great.

The farm bill is not a welfare program. To be effective in balancing production it must fit into the free enterprise concept that a man is rewarded in terms of the value of his contributions. Program payments reimburse farmers for income they forego and expenses they incur when they divert land from crop production to carry out our farm policy. Farm incomes have not attained a parity with nor the stability of incomes in most of our economy. Unreasonable limits on payments and the accompanying disruption in the farm workforce and in our rural communities will add further to urban congestion as noted previously.

And to those who assume that money will be saved by limiting payments, I say that is simply not true if the same result of supply management is to be achieved. If one large farmer who has been foregoing production on 1,000 acres does not cooperate in these programs because of an unreasonable limitation on payments, that means 100 small farmers will have to forego production on 10 more acres each to maintain supply and demand stability. I believe you can readily see that this would cost more, not only in Federal funds, but in further curtailment of opportunity for smaller farmers.

The farm program as proposed is designed to adjust production and supply, to avoid burdensome surpluses and to strengthen the national economy. Reasonable payments are an integral part of the farm program. To impose oppressive limitations, is to undermine if not destroy this important program.

While limitations are aimed at the larger farmers, to impose an unreasonable limitation will strike hardest at the smaller farmers. With extremely low limitations the larger farmers will be forced out of the program, bringing about its collapse and thereby denying the benefits to the small farmers as well. Without a farm program large farmers may survive, but the small ones could not.

I strongly urge the Members of the House to reject any attempts to reduce the limitation on payments below the $55,000 level.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Chairman, as the time grows nigh for the conclusion of general debate on this pending legislation I would like to add my remarks on this bill at this point in the RECORD.

Mr. Chairman, inasmuch as the deliberations on this bill have taken some 17 months, I cannot in the very few minutes that have been allotted to me today express my feelings, my anxieties, my

hopes, and my desires with regard to this legislation brought before us today.

However, for the serious student of the subject of American agriculture, in addition to the debate and the CONGRESSIONAL RECORD that will be available for study I commend to that student the complete works of the Committee on Agriculture, a compilation of which would reflect the history, the true spirit, the objectives and intent of this legislative effort.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa, (Mr. MAYNE).

(Mr. MAYNE asked and was given permission to revise and extend his remarks.)

Mr. MAYNE. Mr. Chairman, while H.R. 18546, the Poage-Belcher bill, does not measure up in a number of respects to what I believe we should have in a farm bill, it is the result of a good-faith effort by members of the House Committee on Agriculture to reach a satisfactory compromise. I am therefore supporting it as representing what I believe to be the bare minimum essential for maintaining a stable economy for both the producer and consumer of agricultural products. I also believe it is the best bill which can be passed under existing circumstances, and that the alternative to it is probably no bill at all at this session. In view of the great amount of time and effort taken to get H.R. 18546 to the floor, it seems clear that if the House should reject this bill there simply will not be time enough to get another bill on the track and passed first by the House and then by the other body. This means the law, which has authorized our farm price-support programs since 1965, will expire as scheduled at the end of this year and we will revert to permanent agricultural legislation. In the absence of new legislation to replace the expiring statutes, the 1949 price-support law will automatically go into effect with a return to depressed farm prices and excessive Government-owned stockpiles of grain. It is clear that such conditions will benefit neither the consumer nor the farmer.

According to most historians, the agricultural revolution began several decades after the industrial revolution, but, once started, the farmer has been rapidly catching up in productive techniques. In the last decade industrial productivity per man-hour increased at an annual rate of 3 percent. The productivity of the average farmer, on the other hand, increased at the rate of 6 percent per year. One hour of farm labor now produces seven times as much food as it did in 1920. One farmer today produces enough food and fiber for himself and 44 others. Only 10 years ago this figure was 24 and in 1949 it was just 14.

Last year each of us consumed 182 pounds of red meat, 260 pounds of vegetables and 563 pounds of dairy products. Never before in the history of the world has the housewife had the opportunity to choose from such a wide variety of foods at such reasonable prices. The average American family is currently spending only 16.5 percent of its income after taxes for food. One year ago this figure was 17.2 percent. Twenty years ago it was 22.2 percent. By way of comparison, the average family in Western Europe allocates 25 percent of its disposable income for food, while the figures in the Soviet Union and Asia are 50 percent and 75 percent respectively.

This cornucopia of superabundance, however, has been a mixed blessing. Low farm prices have forced thousands, even millions, of farm families from the land into the complex urban environment for which all too often many were ill-prepared. At the same time the hourly earnings of manufacturing workers have increased since 1950 by 131 percent and corporate dividends by 235 percent. But the farmers' average return in 1967–69 was 3 percent below the comparable 3-year base of 1947–49. The prices received for the three major farm crops—corn, wheat and soybeans—were actually considerably lower than those received a score of years ago. For example, the average price received for corn last year was $1.12 compared to $1.68 20 years ago.

Since 1948 the U.S. population has increased by 36 percent while the farm population has decreased by 50 percent. In this same span of time, the number of farms has dropped from 5.7 million to 2.9 million, and the migration to the cities continues.

An additional 100 million people will inhabit the United States by the year 2000. This will present an ever greater challenge to the American farmer who up until now has always been able to furnish the American housewife with an abundant supply of nutritious, wholesome food when and where she wants it. But the continued ability of the farmer to feed and clothe our Nation's growing population in the future will be contingent upon his receiving a much more adequate return for his labor and invested capital than he is receiving at the present time. And it is in the consumer's own best interest to see to it that the farmer receives it, for an adequate supply of consumer goods simply cannot be forthcoming in the absence of a prosperous and thriving agriculture. This must be made clear to the 95 percent of our population not residing on farms if we are to have a workable agricultural policy. Whether we represent rural or urban districts, it is our duty as Congressmen to bring consumers a better understanding of the problems of the farmers who produce their food and clothing.

For farming is big business. Agriculture is the Nation's largest industry employing 4.6 million workers—more than the combined employment in the transportation, public utilities, steel and automotive industries combined. The 4.6 total steel requirement for machines and building materials was 6.5 million tons, ⅓ as much as was required by Detroit. As you can clearly see, gentlemen, a strong agricultural economy is absolutely essential to the economic welfare of the Nation.

The farmer has also more than shouldered his share of the burden of maintaining a favorable balance of international payments, thereby halting the outflow of gold from our country. Agriculture is the one sector of our economy which has continually had a favorable balance of trade.

Last year, farm products valued at $5.7 billion were shipped abroad. More than $1.1 billion went to Japan alone. Since 1945 agricultural exports have exceeded $100 billion, making us the world's leading exporter of farm products.

Another source of confusion arises from the fact that agricultural appropriations bills include many items which public opinion charge exclusively to farmers, when they in fact inure to the benefit of the general public.

A large share of agricultural appropriations bills customarily directly or indirectly benefit a broad segment of the U.S. population. Nonfarmers actually participate in a larger share of the Agriculture Department's expenditures than farmers themselves. For example, approximately 55 percent of the items included in the 1970 budget for the USDA were for services of primary benefit to the general public, and less than 45 percent were for programs of direct benefit to farmers.

It should be evident to any reasonable observer that the American farmer has not received his fair share of the Nation's prosperity for many years. He works long and hard and incurs great financial risk, yet farm income has gone up only 18 percent in the last 20 years while national income in general has gone up 255 percent. The housewife unfairly blames the farmer for the cost of food, when as a matter of fact he receives only 39 cents of the consumer's food dollar, only 2.4 cents from the sale of a 31-cent box of corn flakes.

H.R. 18546, the Poage-Belcher bill, will afford the American farmer a chance to receive at least some measure of economic justice while meeting the challenge of increased needs for food and clothing from our growing population. It is the product of the best bipartisan effort of which the Agriculture Committee was capable under the leadership of its Democratic Chairman BOB POAGE and its ranking Republican member PAGE BELCHER. It is a fair compromise representing a total victory for no individual or group and in all likelihood the only farm bill on which this House will have an opportunity to vote this year. When one considers the alternative which is no bill at all and revision to permanent legislation, the Poage-Belcher bill should be much more acceptable both to urban and rural interests.

I have purposely reserved comment on the various proposals for payment limitations until the time when the bill is being read for amendments. Whatever the decision as to limitations, I respectfully urge all Members to vote for the Poage-Belcher bill on final passage.

Mr. MIZELL. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from North Carolina.

(Mr. MIZELL asked and was given permission to revise and extend his remarks.)

Mr. MIZELL. Mr. Chairman, I rise today to voice my support for the Agricultural Act of 1970, H.R. 18546, as re-

ported out of the House Committee on Agriculture.

Thomas Jefferson once said:

> Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous. . . . But our citizens will find employment till their numbers—and, of course, their productions—become too great for the demand, both internal and foreign.

That statement made in 1785 in a letter to John Jay, the U.S. Supreme Court's first Chief Justice, still holds true today.

Farming is still the Nation's largest single industry, with almost $85 billion worth of business transacted every year. Forty percent of this Nation's jobs are farm related, with produce manufacturing and marketing, the farm equipment industry, and other related industries involved in the business of keeping this Nation supplied with food—the essence of life itself.

This fact, Mr. Chairman, is one that my colleagues and I must certainly bear in mind as we consider the merits and shortcomings of this legislation.

While this is a farm bill that represents many compromises, I am convinced that this legislation is vital to the continued success of our agricultural production and essential to the stability of this Nation's entire economy.

There are four basic points of this bill that necessitate the measure's passage.

First, the bill allows farmers more freedom to manage his farm by removing some of the more stringent restrictions put into effect in earlier legislation.

Second, it allows the farmer to go back to the marketplace for a determination of his prices for most goods.

Third, it will protect the income of our farming population during the transition from heavy dependence on the Federal Government to increasingly less dependence on the Government.

Fourth, it provides for limitations on payments to farmers participating in the cotton, feed grain, and wheat programs.

I am prepared to support that limitation, Mr. Chairman, because I am convinced that such a limitation is a giant step in the right direction, a step toward phasing out all subsidies and sending the farmer back to the marketplace to find a fair price for his goods.

If it is this body's decision to limit those payments to $55,000 per crop, I will hail it as a momentous action, since such a decision would represent a reduction in payments of as much as $2,945,000 as compared with presently acceptable levels. I have long held that these unlimited payments have tended to favor the large and wealthy farmers while greatly discriminating against the small and middle-size farm operation. But if it is the will of this Congress to establish lower limitations of payments, I will still support the bill, because we simply cannot jerk the rug from under the American farmer all at once. These are the Americans hit worst by inflation, with the increased cost of labor and equipment and a decrease in farm prices. This is not the time to desert him.

Let us not forget, Mr. Chairman, that if this legislation is not passed—if the current farm legislation is allowed to expire—then we must be prepared to face a major economic crisis.

The Agricultural Act of 1958, which would again become our farm policy if this legislation fails to pass, includes one of the most unfair and short-sighted provisions ever passed by the U.S. Congress. The old two-price cotton system would be reinstated, placing our textile industries at a further disadvantage than they have already experienced, and allowing foreign industry to purchase cotton at a lower price than our domestic textile industries.

Foreign markets grow increasingly richer while domestic industries struggle under great tax burdens. This is a deplorable situation, Mr. Chairman, and I am strongly opposed to any action—or inaction—of this Congress, which would further upset an already unfavorable balance.

This measure which we consider today also specifically guarantees competitive success to class I base plan dairy markets by established producers outside the market order areas, suspends the mandatory butterfat price support program for farm-separated cream, and permits the Secretary of Agriculture to use discretion in setting the support price on butter together with other milk products. The measure also extends the Secretary's authority to donate dairy products owned by Commodity Credit Corporation to the armed services and veterans hospitals, and continues his authority to make indemnity payments to dairy farmers.

In addition, feed grain producers who participate in Government programs will be eligible for payments on a portion of their feed grain production. Corn growers will be assured of a return of not less than $1.35 per bushel through a combination of marketprice and direct payments on about one-half of their normal corn production.

The Secretary of Agriculture and his associates have had more than 24 evening meetings in an effort to work out the differences of opinion on the bill and to put together a complete and effective farm package.

Let us never forget, Mr. Chairman, that even with the cost of farm programs, the American consumer spends less of his income for food than anyone in any other nation in the world.

As Jefferson said, we owe the stability of our entire economy to the American farmer. Let us not desert him in this time of crisis.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. TEAGUE).

Mr. TEAGUE of California. Mr. Chairman, I am one of the comparatively few members of the Committee on Agriculture who is opposed to this bill. I do not consider subsidies to be immoral or always unwise, but these farm programs in my view simply have not worked. I represent a large agricultural district in California and fortunately for me it is one which is not involved in these programs. It is an area where the agricultural producers have done better over the years than those in areas relying on subsidies and controls.

Certainly we have our ups and downs, but I am thoroughly convinced that these programs have not been successful.

I will cite you some figures to bear out that point. In 1950 the price of corn per bushel was $1.44. Today it is $1.24, down, of course.

Wheat in 1950 was $1.99 per bushel. Today it is $1.23 per bushel.

Oats in 1950 were 76 cents per bushel. Today they are 58 cents per bushel.

Cotton in 1950 was 39 cents per pound. Today it is 22½ cents per pound.

Soybeans, $2.93 per bushel in 1950, and today they are $2.72 per bushel.

Cottonseed was $52 per ton in 1950, and today it is around $48 to $50.

Beef cattle, not in the program, not supported, in 1950 were $24.40 per hundredweight. Today they are $27.90 per hundredweight.

Hogs, in 1950, were $20.90 per hundredweight. Today they are $23.90 per hundredweight.

The same thing could be said with accuracy and with justification for fruits and vegetables. Fruit and vegetable prices are considerably better today than they were in 1950 and that, in my opinion, is because we rely on a free market rather than a program of subsidies and controls.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman.

Mr. WHITTEN. Mr. Chairman, I know of no one for whom I have a higher regard, but the approach which the gentleman is making I have had made to me many, many times—by those who said, "we are not under the farm program."

Having served for many years as chairman of the Appropriations Subcommittee for Agriculture, I would like to say this—in the perishable food area, they are under the best farm program there is.

Section 32 of the Agriciultural Adjustment Act provides 30 percent of import duties which is used to buy up surpluses of these commodities. When you buy up these surpluses, you do not need any other program. If you bought up the surpluses in the commodities covered in this bill you would need no other program.

Mr. Chairman, I have had beef producers say, "We do not have any support prices and we do not want any. We do not want any farm program." If they took away the support price on feed, every cattleman I know would go broke in 30 days and so I have told them.

So I say to my friend, the gentleman from California, he can go to the Department and have them buy up the surplus dates, and surplus vegetables, and surplus raisins, surplus oranges, and grapefruit, and surplus this, that, and the other. The best program that we have is that which we have for perishable commodities where by buying surplus we match supply with demand.

It is true, your area does not come under this program, but you do come under other provisions of the farm program. In my opinion that is the reason we have so much trouble with any agricultural legislation; so many folks have

Section 32 funds, they do not have any interest in the rest of it.

Would the gentleman answer that?

Mr. TEAGUE of California. That portion of this food program to which you referred, the dollar volume is $3 or $4 billion.

Mr. WHITTEN. Now you are getting to talk about the matter of money and you are getting away from the principle, but you are out from under this program but you are under the other.

Mr. TEAGUE of California. Perhaps the gentleman did not understand my opening statement. I am not opposed to subsidies as a matter of morality standards.

I think in this case they have not worked and have not been successful.

I would like to discuss a possible motion to recommit.

Mr. WHITTEN. I will take only a few seconds of the gentleman's time.

May I say to the gentleman that I have never believed in the payment approach. I thought it would be misunderstood by some and misused by others. Time has proved I have been right about that, but when I say that we live in an economy where the minimum wage is fixed by law and where the average wage is $2.94 because of the laws that we pass for collective bargaining and the producer, the agricultural producer, has to buy everything he uses in a market where labor costs are protected by law I say that anything you pay—and some folks call it a subsidy—is nothing in the world but enabling the agricultural producer except the producers of perishables, who have their section 32, to live in a society where all other elements are protected and he has to pay the money for this protection every time he buys anything with which to produce. He cannot do it without going down, and history shows if farming goes down the rest of the economy is pulled down with it.

Mr. TEAGUE of California. They are down instead of up, and those other areas of agriculture which are not under subsidy are doing better.

Mr. Chairman, with reference to the motion to recommit, it has not been determined whether I will be making the motion to recommit. But if I do, I think it is only fair to state to my colleagues, it may be—and I say "may"—I am not making any promise—it may be a motion to instruct to strike all of the titles except the dairy, wool and Public Law 480 sections of the bill.

Mr. POAGE. Mr. Chairman, I yield such time as he may require to the chairman of the Committee on Appropriations (Mr. MAHON).

Mr. MAHON. Mr. Chairman, the new farm bill now before the House is a compromise of many views. I think it is fair to say that generally speaking the pending bill is not enthusiastically supported by rank and file farmers and farm organizations. A major problem is that the current farm law expires at the end of this year and Congress and the administration are under heavy responsibility to come forward with farm legislation.

The committee has faced a very difficult situation and has worked long and faithfully to produce a satisfactory measure.

We are indeed confronted in the field of agriculture with very serious problems. I regret to say that I am fearful that we have seen the best farm programs that we will ever see. But, I would hope that we have not come to the end of farm programs which with all their faults and shortcomings, have been helpful in enabling the producers to do an outstanding job for the consumers.

I know that there are those who will speak, and there are those who have spoken today in favor of drastic payment limitation amendments. Mr. Chairman I want to reassert my unalterable opposition to payment limitations on farm programs. One of the reasons why the programs of the past, with all their faults, have been workable has been that they have operated with the objective of fairness to producers in all parts of the nation and to the big and the little producer alike.

Mr. Chairman, the RECORD of the proceedings of today may be very important in the history of American agriculture. The CONGRESSIONAL RECORD of the proceedings of tomorrow may become a historic document.

I speak of the fact that this RECORD contains the speech of the chairman of the committee, the gentleman from Texas (Mr. POAGE) and other distinguished members of the committee.

I would like to make reference to another document which I hold in my hand. It is the report on the agricultural appropriation bill for the current fiscal year which was issued by the Committee on Appropriations on June 3. This was issued by the full Committee on Appropriations. But the subcommittee which handled the hearings and brought this bill to the full committee and the House was headed by the distinguished friend of agriculture, the gentleman from Mississippi (Mr. WHITTEN).

I would like to help round out this debate by quoting from sections of the report prepared by the House Committee on Appropriations Agriculture Subcommittee. Our discussion today of the significance of agriculture would be incomplete without a review of some of the key points developed in that excellent report.

The committee stated:

Some, but not enough, people know that the few on the farm free the rest of us to provide the machines and gadgets of modern-day living. Many people do not stop to realize that those who have left the farm have been replaced by machines and expensive materials; and that the man on the farm has to have sufficient income to buy the machines, equipment, chemicals and other materials; otherwise many people now in our cities, who make the machines, would have to go back to the farm as we saw in the depression of the late 20's and 30's.

The Department of Agriculture, identified with 5.1 percent of our people on the farm, in reality represents that 94.9 percent of the nonfarmers more closely than does any other department, for it represents the source of food, clothing and shelter for all Americans, and further, represents the largest individual market for labor and industry.

Mr. Chairman, to understand these programs we must understand the significance of farming as a market for the products this Nation produces. The Appropriation's Committee report stated as follows:

The producers of agricultural products spend nearly $30 billion a year for goods and services to produce crops and livestock; another $12 billion a year is spent for the same products that urban residents purchase—food, clothing, drugs, furniture, appliances, and other products and services. Each year the farmers' purchases include $3.4 billion in new farm vehicles, machinery, and equipment. It takes 120,000 nonfarm employees to produce this farm equipment alone.

His annual purchases also include $3.4 billion for fuel, lubricants, and maintenance of machinery and motor vehicles. Farm production uses more petroleum than any other single industry. Each year the farmer buys products containing 320 million pounds of rubber—about 9 percent of the total used in the United States, or enough to put tires on nearly 6 million automobiles. He consumes 28 billion kilowatt-hours of electricity annually. Every year he uses 5 million tons of steel in the form of machinery, trucks, cars, fencing, and building materials. Farm use of steel accounts for 40,000 jobs in the steel industry.

In addition to describing the importance of the agriculture markets, the committee report on the appropriation bill also described why our rural farmland is being abandoned in favor of congested urban areas. The appropriations report included the following observations on this point.

The number of agricultural producers providing food and fiber for our rapidly expanding population continues to decline and is now down to about 5 percent of the people in this country. Trained and experienced farm labor is in increasingly short supply.

Long hours of hard work, more rigorous living conditions, hazards of weather, threats from insects and diseases, increasing financial risks, and decreasing financial returns are causing farming to become less and less attractive to each succeeding generation of young people. Fewer and fewer farm children are turning to farming as a career. More and more of their parents are moving to "greener pastures" in town as the monetary return for their labor, investment, and managerial skills decrease on the farm.

As a business venture, farming is becoming less attractive as the necessary farm investment increases and the net return on the investment decreases. Figures from the Department of Agriculture show that average farm investment has increased nearly fourteenfold in the past 25 years, from $6,158 in 1940 to $85,402 in 1969. They also indicate that the average return on farm equities has dropped more than 50 percent during this period, from 7.1 percent in 1945–9 to 3.1 percent in 1968.

It is entirely understandable, therefore, why fewer and fewer people are remaining on the Nation's farms, and why some 5 percent of our population on the farms is now feeding the other 95 percent in addition to themselves. This undesirable imbalance can be expected to be further aggravated as movement away from agriculture continues.

The report also treated of the efficiency of American agriculture as follows:

The efficiency of American agriculture has been a blessing to the consumers of the world. It has provided a plentiful supply of wholesome and nutritious foods which U.S. consumers have come to accept and take for granted. It has produced quantities in excess of domestic needs which have become a significant factor in our international programs of aid and assistance to the less fortunate peoples in other nations of the world.

Because of the remarkable achievements of American agriculture, the people of the United States for years have enjoyed a standard of living never before attained anywhere in the world.

Mr. Chairman, as we consider this farm legislation today it must be remembered that agriculture is absolutely basic to our further progress as a nation. I quote further from the June report of the Appropriations Committee on the agriculture appropriation bill:

In the opinion of the Committee, the growing tendency to consider agriculture as a less essential part of our national economy, and to reduce funds needed for its continued support, threatens our Nation at home and abroad. It could have a serious effect on the future food supply of this country and could weaken our ability to meet our future responsibilities as a leader of the nations of the world.

History teaches us that the food-deficit countries of the world started on their decline by failing to give adequate attention to the protection and development of their basic natural resources. They failed to provide necessary protection and development through research, control of insects and diseases, conservation and other programs needed to assure the preservation of their capacity to meet the needs of their people for food, clothing, and shelter. This is true of nearly every country we aid today. We must not make the same mistake.

One of our major problems today is that, though agriculture is our best market for industry and labor and the most economical supplier of the consumer, so few people are engaged in agriculture that its voice is weak in the legislative halls of a majority of the States and of the Nation. No longer does agriculture figure prominently in the planning of those who would appeal to the majority. This leaves a major task for those who recognize that the national welfare depends on a sound and healthy agriculture.

Mr. Chairman, it is most important, most vitally important, especially to the poor, the consumers, and the people in the urban areas that we have a satisfactory farm program. I hope that the information which has been supplied in this debate and which is included in my statement will help set this whole picture in better perspective.

There must be conditions when agriculture and the people in agriculture can continue to do a magnificent job for the people of the Nation and for the people of the world who, in one way or the other, rely heavily upon the economy, the prosperity and the stability of American agriculture.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi (Mr. ABERNETHY).

Mr. ABERNETHY. Mr. Chairman, the hour is getting late. The attendance is light. I shall be brief.

Mr. Chairman, I am concluding 26 years on this committee, 28 years in the House. I have seen a lot of bills go through the Committee on Agriculture. I have seen bills come out with wide differences between the members. Strangely enough, as controversial as this measure appears to be, there is now more unanimity among the members than there has ever been on any major piece of farm legislation.

This bill was reported by a vote of 27 to 6. It has bipartisan support. It is supported by the Department of Agriculture. It is supported by the President of the United States, and it is supported by a vast majority of the farmers of this Nation, as well as the committee.

The bill has been almost 18 months in preparation. We began the discussion and consideration of a general farm bill way back in February of last year. After all of these long months that which is before you is the product of our effort.

I know that there are some few little points in the bill that some of us disagree with. I know some amendments will be offered. I can appreciate the fact that some of the Members feel so strongly about their views that they feel it incumbent upon them to offer amendments. Frankly, I would like to offer some amendments, but I know that a piece of legislation of this kind is the result of people sitting down, working together, adjusting their views and coming to compromise. A piece of legislation such as this, so large, so broad, affecting so many thousands of people throughout this land from coast to coast, cannot be assembled in any other manner. Refusal to compromise would have meant no bill at all.

I command the minority leader, the gentleman from Michigan (Mr. GERALD R. FORD), for his sensible and sound remarks. There are a few things, as he says, about this bill that he said he does not like; but he said he was going to support it because he knows it is the best we can get. And after all, it being the best we can get, it is not bad.

There is a great deal of good in this bill and there are literally thousands of farmers throughout these United States who are waiting for the bell to ring tomorrow night telling them that this bill has been passed. I can tell the Members now there are millions of consumers who feel the same way—and they should, or else the price of the food that goes on their tables in the months and years ahead might be at such a level that they cannot afford to pay for it. This is just as much a consumer bill as it is a farm bill.

We compromised on the subject of acreage set aside—a favorite administration provision—we compromised on the subject of limitation of payments. We compromised on so-called parity. The Members know I like parity. I am like many other Members of this Congress. I ran on a ticket for 100 percent of parity, just as many others did. I got here and found out I did not have a chance to get it, so I took what I could get. I am not so much interested in parity as I am in cold cash. I am interested in a dollar-and-cents return. This bill provides a specific dollar-and-cents return to my farmers, irrespective of whether or not there is a reference to parity. For some commodities a level of return at a percentage of parity is provided for in the bill. For them, parity is made the income return yardstick, and for some others it is not. So we compromised on this issue. In the end all will come out about the same.

We compromised on marketing quotas, on acreage allotments, and on open-end planting. I did not like open-end planting. I still do not like it, but that is a part of the compromise. It is in the bill and I am going to support it.

I see my friend, the gentleman from Illinois (Mr. FINDLEY) over here. I did not intend to make reference to it, but he does not like limitation of payment—that is, below a certain level. The gentleman probably has more farmers in his district than any member of this committee; but he picked out a limitation-of-payments level that would take care of his farmers and leave them untouched. I can tell Members that. He has only 21 farmers in his district who will be affected by his amendment, and even then only slightly. He is not against payments. He is for payments. He is for payments that will reach the pockets of every one of the farmers in his district 100 percent—except 21 of them, and he is willing to give them $20,000 each. He endorses the principle of payments to farmers. He recognizes the necessity for such for his farmers. And he makes sure that each and all of them, 27,540 in all, are fully taken care of, that is, all but 21 and even them to the tune of $20,000 each.

I am sure my friend, the gentleman from Illinois (Mr. FINDLEY), who used to be a member of our committee, sat up many nights to determine just exactly where he could draw this line so he could take care of all his farmers. Now, if the gentleman did not do that he can tell us about it tomorrow.

I know there are some farm organizations that say they are not for this bill. But they do not say they are opposing it. There is one that says it is against it. I do not know if this organization has ever been for any general farm bill that came on this floor in the last 15 or 20 years.

It has been against every single bill that has come to this floor from this committee—and sometimes I have found myself with them—and never for anything. Actually, at the national level it is not representing the farmers of the United States or even its own members, and the people of this Chamber know it.

The other farm organizations, which call themselves the coalition, are not fighting this bill. They have not sent messages around to defeat it. They know that if this bill is killed they will in all probability be without a farm program, and they will be in a heck of a shape if they do not have one.

Mr. Chairman, we have a choice to make tomorrow. The choice is, do we have a program or do we not?

It is going to be very easy to find some little "ifs" and "buts" here and there that one does not like. Let me tell the Members now it is not a question of having another farm bill out of the Committee on Agriculture on the floor of the House this year. This is the bill. This is it. There will be no other. It is this or else. When the Members go home, if we do not see fit to pass this bill, they can tell their farmers that they threw away the only opportunity they had to take care of them.

Now some concluding remarks about limitation on payments.

Our farmers have been through some rough times lately, and it is not just the big farmer, or the small farmer, it is all farmers. A payment limitation of $20,000 will be the straw that broke the camel's back for many of them.

I have heard a lot of talk lately from urban Congressmen about how their constituents are calling for an end to farm payments. But I ask our city neighbors if they would like to have their entire life savings, and even their entire life, wrapped up in a business such as farming. The price of farm labor is up 63 percent, the price of farm motor vehicles is up 35 percent, and taxes have increased 129 percent in the last decade. But the price of cotton and wheat is less than it was even 20 years ago. The net income of farmers from crop production—including Government payments—has declined sharply in the period from 1966 to 1969.

Even so farmers are not sitting around waiting for doomsday. They are trying their best to overcome these obstacles through innovation, invention, and the sweat of their brow.

From 1966 to 1969, the output per man-hour of labor in crop production rose 9.1 percent, while the output of nonfarm labor rose only 5.4 percent. Rising productivity not only moderated the impact of lower returns and higher costs on farm income, but it gave our country one great example of how inflation should be fought. If all Americans were increasing their efficiency as much as farmers, we could have inflation under control.

What attitude will the U.S. Congress adopt toward the people who grow our farm crops. It is the height of irony that some of my colleagues are singling out this very great record of productivity for special attack. They advocate a plan of payment of limitations which would have the effect of killing off the most efficient farmers and who have been the very spearhead of rising productivity.

No one can deny that the larger farmers are the leaders in adopting efficient methods, which are quickly passed on to their smaller neighbors. Obviously the large operators are best equipped with both the means and the attitudes to experiment with the new techniques which bring higher productivity. It has been clearly demonstrated that the larger growers are the leaders in group efforts of farmers to finance the research and education which are more and more essential to continued agricultural progress.

The chance to grow in size is a goal which stimulates producers in every field to work and strive toward more efficiency. Stifle that chance through governmental discrimination, and you will stifle the whole thrust of rising farm productivity. I favor special provisions to take care of small farmers and I support such. But I do not favor the destruction of our larger farms and farmers.

The farmers in my own State of Mississippi are banding together in pockets here and there to fight the boll weevil together through a boll weevil diapause control program. By doing so they are reducing the cost of growing cotton. They are buying eight and 12 row equipment to reduce the requirement for labor. They are combining operations so that one pass across the fields will do more than one job. They are only asking for time to get their cost of production below the selling price of their product. They are making progress, considerable progress, but they need more time.

The limitations idea is promoted with the false claim that the larger farmers do not need government to survive. Payments are likened to some sort of welfare program. The truth is that high and rising costs affect producers at every size of scale.

The large producers know they cannot survive if they must go it alone in competition with small farmers who are subsidized by Governmnet payments on all of their production. Their only recourse will be to move into other crops where their produciton and efficiency will not be penalized. Already the large farmers, out of the fear that limitations will be imposed, are putting their land on the market, only to find there is no market. If such a policy is adopted, there will be a wholesale breaking up of farms into small units, and the leadership of this Nation's progress in efficient crop production will be lost.

As you vote tomorrow I urge you to bear these thoughts in mind.

I strongly urge you to support our bill.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, there is no question but what a payment limitation would hit cotton hardest and would hit feed grains, my type of area, the least. But this is true for one simple reason, and that is that cotton is where almost all the big payments go and feed grains where payments are least. So naturally any limitation is going to hit Mr. ABERNETHY'S district more severely than mine.

I have offered limitations of $10,000, of $15,000, and of $20,000. I am trying to find a level and a time that will succeed. I believe this week is the time and $20,000 is the level.

A little bit earlier today my colleague from Massachusetts (Mr. CONTE) placed in the RECORD the text of the limitation amendment on which he and I are in complete agreement, which we are jointly sponsoring. He also placed in the RECORD the language of the regulations which we recommend should this amendment become a part of the act and should it become law. We believe it is very important that the Congress give direction to the Department of Agriculture as to just what rules should be applied.

We believe in a strict application of the limitation in order to pare down to the bare minimum any possible slippage.

This is being placed in the CONGRESSIONAL RECORD today instead of tomorrow, to give Members the opportunity to look at this language tomorrow morning, to read it thoroughly, to examine it at firsthand, to see that regulations would be effective.

I should like to turn now to the set-aside concept which in its purity when it was presented to the Committee on Agriculture by the Department of Agriculture leadership was very appealing. The idea was to determine a certain acreage on a farm which would be set aside—that is, set out of production—and then permit the farmer maximum freedom to plant the remaining acres of his farm. That would be a step toward freedom in planting in American agriculture, and truly a fine goal.

Well, I read the bill. I wonder if everyone here today has read the text of this bill. I believe it would be interesting, really, to find out how many Members have read it. I will not call for a show of hands, but I did read every page, and every word.

I am searching for the right word to describe the set-aside concept as it emerges from the Committee on Agriculture—not as it was presented in its purity by Mr. Hardin and his colleagues but as it emerges in the form of this bill.

Let me illustrate what I mean. Turn to pages 12 and 13 of the bill and read the language beginning at line 21 at the bottom of page 12 and continuing through line 8 on page 13. "The Secretary shall permit producers to plant and graze on the set-aside acres." Then it lists all kinds of crops. Now, is that setting acres aside from production, I ask you? It is not that the Secretary "may" but that the Secretary "shall." He does not have the option to refuse the planting or to permit the planting and grazing, but he "shall." There is a hole kicked in the set-aside concept big enough to drive the biggest John Deere tractor through.

On page 13 is the beauty of them all. Read this line. "The payment," that is, the payment for the set aside or the payment to the farmer for being a cooperator, "shall be the rate which otherwise would be applicable if such acreage," that is, set-aside acreage, "were devoted to conserving uses." In other words, there is no penalty whatever imposed upon the farmer who plants and harvests from set-aside acres.

Now turn to page 29, the feed grain section. "The Secretary shall permit producers." Then we list a whole bunch of other crops that may be planted on set aside acres. Here again the payment shall be the rate which would be otherwise applicable if such acreage were devoted to conserving uses.

Now look at page 46. At the top of that page here is the beauty to end them all. The sentence there reads, "The Secretary may permit cotton"—these are cotton set aside acres—"The Secretary may permit cotton or other commodities to be planted on the set aside acres to such an extent and under such terms and conditions as he may prescribe."

There is another great big hole kicked in this set aside concept.

Then I learned about an arrangement that was worked out, which does not appear in the committee print or the bill

but was a deal worked out in the late stages of negotiation on this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BELCHER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FINDLEY. Under this deal—here is another beauty—a farmer in the arid parts of Texas and elsewhere who has been practicing skip row planting in order to get maximum production, that is, he skips a couple of rows and plants a couple of rows and then skips a couple of rows and does that as a good practice as a farmer—under this deal, which is not written out in the committee report or in the bill, can count those skip rows as meeting his set aside obligation under this program. Another great big hole kicked in the set aside concept.

I am inclined to think that the set aside concept is not only an outrage and a sham, but I call it a conspiracy against the taxpayers.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. MILLER).

(Mr. MILLER of Ohio asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Chairman, as a member of the House Agriculture Committee which studied this bill for almost 18 months, I would briefly like to cover the major provisions of this important legislation in an effort to provide my colleagues with a helpful thumbnail sketch. The biggest problem we face now is knowing exactly what is contained in this bill and what it is intended to do.

The bill contains eight titles dealing with: payment limitations, dairy, wool, wheat, feed grains, cotton, Public Law 480, and a general and miscellaneous title which includes a Cropland Conversion and a Greenspan program.

Title one of the bill sets limits that any individual farmer may receive from the cotton, feed grain and wheat programs. Under this provision a producer would be limited to $55,000 from each commodity program.

This limit applies to payments for price support, set-aside, diversion, public access, and marketing certificates, but it does not include loans or purchases.

Payment limitations do not apply to lands owned by States, political subdivisions, or agencies thereof, as long as the land is farmed primarily in the direct furtherance of a public function.

The dairy title extends and amends authority for the class I base plan in the Federal milk market areas. It specifically guarantees competitive access to class I base plan markets by established producers outside the market order area.

Under this title the mandatory butterfat price-support program for farm-separated cream is suspended, and the Secretary is permitted to set lower support prices on butter. But, milk would continue to be supported at a level between 75 and 90 percent of parity.

This title of dairy also continues the Secretary's authority to make indemnity payments to dairy farmers, and it extends his authority to donate dairy products owned by the Commodity Credit Corporation to the armed services and to veteran's hospitals.

The wool title extends the National Wool Act of 1954, as amended, through December 31, 1973. It continues the present incentive price of 72 cents per pound for shorn wool and 80.2 per pound for mohair for each year of the extension.

There are several key points to the act which are common to feed grains, wheat and cotton. First, each commodity program would become effective with the 1971 crop and run for a 3-year period.

To be eligible for program benefits a producer would be required to set aside a percentage of his cropland to approved conserving uses, in addition to maintaining his normal conserving acres.

The amount of set-aside would be determined by the Secretary. For cotton it could not exceed one-third of the farm base acreage allotment. After meeting the set-aside requirement a producer would then be free to plant anything on his remaining cropland—except for peanuts, rice, tobacco and sugar. Another exception is that the Secretary would have authority to limit wheat and feed grain plantings during the transition period in 1971 and 1972.

The set-aside concept is one major area where decisionmaking would be returned to the farmer. Acreage allotments and bases have helped to reduce surplus production, but in some cases they have held back our farmers' efficiency. This has hurt our sales in export markets—and has probably reduced our farmers' net incomes.

For instance, because of acreage allotments, some farmers are forced to grow wheat in the Corn Belt, corn in Texas, and soybeans in Kansas. Farm income may suffer in those cases because of high production costs for those particular crops in those areas.

Under the set-aside plan, we would expect to see more of our corn production centered in the Corn Belt—more of our wheat acres in the Great Plains and the Pacific Northwest—the Southeast would produce more soybeans.

The most efficient cottongrowers could compete for the world market without penalty.

Feed grains would compete more effectively for world markets, and this would encourage livestock feeding industries around the world.

A quick look at the functions of allotments and bases will further illustrate the increased flexibility farmers would have under set-aside. Under the present program, allotments and bases are used to determine acreages for specific crops on individual farms, as well as for payment and diversion purposes.

Under set-aside, allotments and bases would be used to determine a producer's payment and his diversion requirements, but they would not restrict him in planting individual crops.

For instance, a producer in the Corn Belt who has both a feed grain base and a wheat allotment could meet his set-aside and normal conserving requirements, and then plant all of his remaining cropland to corn. He would be eligible for a price support loan on all of his corn production. In addition, he would receive the feed grain payment on half of his feed grain base, and wheat certificates on his domestic wheat allotment.

It is possible that the producer we have just mentioned would lose wheat history under another provision of the act which is common to feed grain, wheat, and cotton. That specifies that there would be a loss of history under certain conditions. We will spell this out later as we discuss the provisions for each commodity.

As has been the case in the past, the programs will be financed through the Commodity Credit Corporation, with annual reimbursement through the appropriations process for each commodity.

Participating producers would receive a preliminary payment as soon as possible after July 1 of the year the crop is harvested. The amount for each commodity varies, and will be explained as we cover each of the commodity programs.

Payments in the form of domestic marketing certificates would be available to guarantee cooperators 100 percent of parity on that part of the crop used for domestic food.

The certificate value would be based on the difference between a farmer's average market price—during the first 5 months of the marketing year—and parity.

The Secretary would be authorized to pay for additional set-aside acreage and for public recreational access to set-aside acres. Authority is also provided for growing specified crops on set-aside acres.

A preliminary payment of 75 percent of the estimated certificate value would be made as soon after July 1 as possible. The final payment would then bring total support up to parity. If the estimate should be too high a farmer would not be required to make a refund of the initial payment.

Processing certificates, for domestic food use, would continue to be 75 cents per bushel.

A minimum price of Commodity Credit Corporation-owned wheat for resale would be 115 percent of the national average loan rate, plus reasonable carrying charges.

The wheat program would have a loss of history clause. There would be a loss of history—not to exceed 20 percent of the domestic allotment the following year—if at least 90 percent of the domestic allotment is not planted. And the allotment would be removed if there were no plantings for 3 consecutive years. But, there would be no domestic allotment reduction if a producer elected to not receive payments for the unplanted wheat acres.

The Secretary may authorize plantings of feed grains or soybeans as substitutes for wheat to retain wheat history.

Farmers who were prevented from planting due to natural disasters would not lose allotment.

There are two additional, significant points in the wheat program worth noting. There would be new domestic State,

county and farm allotments established rather than using the old allotment.

And, farm projected yields would still be used for computing program benefits.

For feed grains—loans for corn would be up to 90 percent of parity—with rates for grain sorghum and barley loans proportionate to their feed value in relation to corn. The loan level would set to encourage exports and prevent excessive stocks.

The feed grain payment—to be made on one-half of the base—would equal the difference between the actual average market price—during the first 5 months of the marketing year—and current support—but total support would be not less than $1.35 per bushel for corn. Yields for computing program payments would be based on the feed grain yields determined for the preceding crop, with adjustments.

A fixed preliminary payment of 32 cents per bushel, on corn, would be made to participants as soon after July 1 as possible. That 32 cents per bushel for corn would be the minimum, but the payment could increase if the market price declines below $1.03 per bushel.

Unlike prior years, a producer would no longer be required to plant half his base to feed grains for payment purposes. But, as we will explain later, he would have to plant a specified percentage of the base to feed grains or an authorized substitute to avoid a loss of history.

The Secretary could authorize payment for additional set-aside and for public access and he could authorize specified crops on set-aside acres.

Commodity Credit Corp. sales policy for unrestricted use would be a minimum of 115 percent of the national average loan rates, plus reasonable carrying charges.

For feed grains a producer would have to plant at least 45 percent of his base acres or he could lose up to 20 percent of the base the following year.

If no plantings were made for 3 consecutive years, the base would be removed.

However, the Secretary may authorize planting of wheat or soybeans as substitutes for feed grains to retain history.

Farmers who were prevented from planting due to natural disaster would not lose their base.

The Secretary would be authorized to adjust farm bases from a pool made up of acreage released by farmers no longer producing feed grains.

For upland cotton there would be no quotas, but there would be a national cotton production goal which would be the offtake plus 5 percent, and the carryover goal would be at not less than 50 percent of the offtake.

The national allotment would be established at the expected domestic consumption rate, plus up to 25 percent additional. But, in 1971 the allotment would be set at 11.5 million acres. Allotments would be apportioned to the States on the basis of their preceding 5-year history.

The loan rate for upland cotton would be set at 90 percent of the estimated average world price—based on middling 1-inch upland cotton. Support for cottonseed would be optional.

The payment rate, plus the average market price at the designated spot markets during the first 5 months of the markting year must equal 35 cents per pound, but the payment rate may not be less than 15 cents per pound.

The payment would be made on an acreage planted within the farm allotment. If 90 percent or more of the allotment is planted, the entire allotment would be considered planted for payment purposes. Payments would be based on the average yield of the acreage planted to upland cotton during the 3 preceding years, adjusted for any abnormal yield caused by drought, flood, or other natural disaster.

There would be a preliminary payment of 15 cents per pound to be made as soon as possible after July 1.

The Secretary is also authorized to pay for public recreational access. And he could permit cotton or other commodities to be planted on set-aside acres.

Sales by the Commodity Credit Corp. for unrestricted use would be not less than 110 percent of the loan rate plus reasonable carrying charges.

Like the wheat and feed grain programs there would be a loss of history clause under the cotton program—but release and reapportionment would still be in effect.

The history loss would be not more than 20 percent of the allotment the following year, if less than 90 percent of the allotment was planted. The allotment would be lost if there was no cotton planted for 3 consecutive years. But, the Secretary would be required to allow soybeans, feed grains, or wheat to be used as a substitution for cotton for history purposes, if substitution is allowed for feed grains and wheat.

Like the other programs, there would be a provision to protect the acreage not planted due to natural disaster.

Also provided for in the cotton program would be the sale, lease, or owner transfer of allotments. Out-of-county transfers by sale or lease within a State would be subject to the approval of the ASC County Committee, based on findings that a demand for the allotment no longer exist in the county. And transfer of allotments because of natural disaster would be authorized.

Title 7 of the bill would extend, without change, the Agricultural Trade Development and Assistance Act of 1954, as amended. This is commonly known as Public Law 480.

In title 8—the general and miscellaneous title—there are provisions for continuing the cropland conversion program at a level of $10 million per year. This is a program that helps producers shift their cropland to other income producing purposes on a contract basis.

The Greenspan program, which assists local governments in acquiring farmland for such purposes as parks, recreational areas and the like will be continued. The bill authorizes a $10 million program for Greenspan.

Also contained in title 8 are these miscellaneous provisions: The current exemption from marketing quotas for boiled peanuts would be continued.

Farmers or other landowners who do not desire to hold an allotment on any crop under a Government program may voluntarily relinquish it. This would be a permanent provision.

And there would be an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

To summarize, there are eight titles in the Agricultural Act of 1970. They are: Payment limitations, dairy, wool, wheat, feed grains, cotton, Public Law 480, and general and miscellaneous provisions.

That briefly is a summary of the major provisions included in the bill.

I would hope my colleagues are fully aware of all the aspects of the bill before they are asked to make a final decision.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PURCELL).

(Mr. PURCELL asked and was given permission to revise and extend his remarks.)

Mr. PURCELL. Mr. Chairman, as has been stated so many times today, this bill was worked on probably longer than any agricultural bill in recent history.

I happen to have the high privilege and, so far as I am concerned, the honor of being the chairman of the subcommittee that deals with the wheat and feed grain section in this bill.

I want to compliment in every way I know how the members I am privileged to work with on that committee, members on both sides of the aisle, who worked diligently and worked long hours.

They have made compromises, with the true interests of the farmers and consumers of this country at heart, and I compliment each one of them. Particularly, I want to compliment, as has been stated before today, the effective work of the ranking minority member, the gentleman from Oklahoma, PAGE BELCHER, who particularly on this bill along with our distinguished chairman (Mr. POAGE), because this has been a unique experience in seeing a bill after many months of work and many hard decisions being made, to find a bill coming out of the Committee on Agriculture supported with 27 votes for it and six votes against it.

Mr. Chairman, to be as truthful as possible, this is not the farm bill I would have chosen, nor I am convinced, is it the farm bill that most members of the Committee on Agriculture would have chosen, had they been given a choice. However, it is the best bill the administration announced it was willing to support, and after over 1 year of committee deliberations, despite attempts to substitute more proven theories for maintaining a strong agriculture, this is what we have to offer and I support it.

I support it now, despite the fact that I would have been far happier had the amendments offered to the wheat and feed grains section of the bill to bring it closer in line to past policies been adopted. But the majority of the committee disagreed, and it is vitally desperate that we enact a workable program as quickly as possible.

Mr. Chairman, despite my past criticisms of this bill, I do believe, if it is administered carefully by the Secretary of Agriculture, that the bill before us envisions a workable farm program. I

am personally pleased that we have been able to retain the parity concept for wheat, and guarantees that the Secretary will, expend approximately the same amount during the 3 years of the life of the program as was expended during 1969–70.

If we can pass this bill, I personally pledge my full support toward holding the Secretary to his word. He and his entire staff are all honorable men, and the only reason I would support the bill would be because I am assured, in my own mind, that they would not knowingly destroy the livelihood of the Nation's small agricultural producers.

In many ways, a case can be made that this is a worthwhile program, and I am particularly impressed with the flexibility it should give a producer to manage his own crops, and plant as he chooses.

Mr. Chairman, I am well aware that this is not a perfect bill but it is an honest attempt after a great effort to reach some sort of compromise between strongly diverging views. As such, it is worthwhile and deserving of the support of each of us; accordingly, I recommend its passage.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. HALL).

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Chairman, I appreciate this time. I know it is growing late. I shall not repeat much of what has been said before, including today under the rule. I have asked permission to revise and extend my remarks, and include charts and tables for Members' study before tomorrow's 5-minute rule.

I also call attention to the fact that for the last two Congresses—in fact, since 1967—I have appeared before this very distinguished committee, Committee on Agriculture, and have testified about a plant and an idea that has been growing and has been constantly prefected through the years as a farm plan.

Mr. Chairman, I rise in support of this bill. Whether my suggested perfections are incorporated or not, I shall vote for this bill, not only because of my respect for the people who are in favor of it, and their almost unanimity in bringing it out, but because I am thoroughly convinced that the entire economy, if indeed not the husbandry of our natural resources, depends on a bill of this type at this time and place in our Nation's history.

I also appeared before the Committee on Rules. I have great respect for what has been said, particularly here today, about the need for continuing some kind of subsidy in order to provide the services and sincerely assure the consumer of the quality and nutritious foods and fiber stuff that we are going to need throughout the rest of our lives and as our population explosion goes ahead.

I would like to compliment the House Committee on Agriculture for reporting a bill to amend and extend the farm program.

While not violently disagreeing with the Agriculture Committee's hard and diligent work, I strongly believe that my cropland and water restoration program, that I introduced in the 91st Congress last September, is a sounder approach. The consumer must be the most interested and realize the end-product of the farmer's production is human bodies.

Basically this bill would:

First. Provide for establishing a cropland and water restoration program under 1 to 5-year contracts—up to 10 years for tree cover—beginning during the 3-year period 1972 through 1974.

Second. Provide for establishing an annual cropland restoration program to be offered during the years 1972 through 1974.

Third. Repeal authority for acreage allotments, marketing quotas, and marketing certificates on wheat and acreage allotments on corn, and specify the levels of price support on wheat, corn, oats, rye, barley, and grain sorghum, effective with specified crop years.

Fourth. Prohibit the Commodity Credit Corporation from making any sales—except sales offset by equivalent purchases—of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed, effective July 1, 1970—this is subject to amendment—at less than 125 percent of the current support price for any such commodity, plus reasonable carrying charges.

Now, Mr. Chairman the "backbone" of my proposed legislation is soil and water restoration, and the incentive to accomplish both, with a realistic profit-margin for the farmer. This concept has been conclusively proven by master-farmer-conservationist, Gene Poirot, of Golden City, Mo. He has proved beyond a shadow of a doubt, that submarginal land can be restored and that a profitable farming operation can result. Three years ago Chairman POAGE along with Congressman BELCHER and a majority of the House Agriculture Committee, visited and toured the Poirot farm. They saw a scientific approach to farming and they can verify that it works. Due to the success of this farming operation and based upon the sound principles, Mr. Poirot sets forth in his book, "The Margin of Life," we were able to develop and draft a farm bill that would insure the farmer adequate income, stabilize consumer prices, restore the basic soil and water resources, and not bleed the American taxpayers to death.

The essential feature of my bill (H.R. 13717) is the second market concept.

Now, Mr. Chairman, in actual operation the second market would:

First. Buy tons of a suitable crop which by its growth and yield would:

Give the farmer the choice of selling to the Government or of otherwise disposing of the crop on the market without Government payment.

In any amount of tons the farmer wants to sell,

At a fair price announced each year, but above an approved standard such as a minimum wage, parity, or share of his cropland,

Grown on any part or on all of his cropland,

Improve the degree of soil restoration and water conservation accomplished, and paid for by the farmer.

For example, the second market would offer to sweet clover—or its equivalent—growing alone for 1 year and plowed under, an established amount of $25 per dry weight ton. If the farm had a pond approved by the SCS for irrigation and flood control or other practices of special value, the suitable crop would be worth an established amount plus a bonus of $5 perhaps, or $30 per ton. The weight and rent per acre would be figured on the spot by the farmer's own county ASCS agent for the farmer to accept or reject the offer.

This program would offer a fair additional money reward for good farming. Not a stingy amount of relief for "idling land" as in the soil bank. Not large sums of money for surplus control to those on rich land where there is no problem, and one-third as much per acre to those on poor land, needing fertility, water, and the money to buy them. It would keep the Nation's soil immediately ready for an emergency call by the Government.

The second market would buy only proved results, regardless of the political power a group might have, or the richness of the soil. It does not pay for storing large amounts of surplus products, or for large sums for giving it away later.

The program pays at a minimum wage, or parity level, for the services it buys from the farmer. Any product he grows which yields less net income per acre is at once a surplus, so he shifts farming efforts and the troublesome land to the second market provided by the Government for developing its soil and water resources to a higher level of more economic production.

Since yield per acre, market price, transportation, local costs, and so forth are all factors in net profit, a change in any one of them can cause acres to be shifted into or out of production under the second market program. This is far more flexible than any directive delivered from Washington, D.C., could ever be, because the individual farmer makes the decision on his farm.

Another result will be a permanent system for agricultural production with little or no competition from the off-the-farm people who either already own rich land or can restore soil and water resources to make it so, and thereby gain income tax relief. If the land should become rich, beyond our food and fiber needs, industry can find use for the products it will grow or produce at a low cost to make them into products people will need.

Other uses for any extra land and/or credits could well be environment controls to hold insects and diseases in check; restoration of wildlife habitat; ponds for farm and community water supplies where nitrate poisoning in wells becomes a health hazard; the preservation of virgin stands of grasses and timber; and beautification in general, to name a few.

One final advantage to the second market, Mr. Chairman, is that the administration costs will be less. There would only be one crop to measure. Participation would be checked only on those farms selling to the second market.

There would be no surplus to measure and give away. There would be no cost-sharing for fertilizer, lime, terraces and many other activities now requiring many more people, than were needed a few years ago.

What I have offered is a prescription, mixed and compounded by men of the soil. A prescription that might not be a complete cure for the situation, but one that could act as a "shot" to help get the patient back on his feet, so that he could do some of his own doctoring, and perhaps even heal his own wounds, thus alleviating the necessity of "round the clock" nursing, from his "big brother" in Washington.

Mr. Chairman I shall have the mimeographs and explanatory memos available tomorrow along with these large viewgraphs to explain the applicability and easy feasibility of this plan in the form of an amendment for titles III through VI of the committee bill. It leaves the rest of the bill and the committee's intent, completely intact. It would generally substitute cropland and water restoration and a voluntary alternate market for subsidies to idle acres. I commend it to your consideration:

SOLVING THE FARM PROBLEM THROUGH AN ANNUAL CROPLAND RESTORATION PROGRAM

Who benefits? Farmers—Rural Communities—American Housewife—and Consumers.

How? By Farmers using an "alternate market" provided by the Government in buying—Soil and Water Restoration.

A farmer in *Serious Economic Trouble* using the alternate market would: Increase his net profit—control surplus—increase the productiveness of his soil—*without* increasing the market price to the consumer and without asking the consumer to decrease the price for what he sells to the farmer.

Example: Yield x Selling Price less Cost = Net Profit. Any kind of crop or livestock can be used. Corn is selected because of its present low price of $1.00 per bushel and its high production costs. Sweet clover, requiring soil restoration at the farmers expense, is selected as the suitable crop. Sweet clover yielding 2400# per acre, costing $25 per acre to produce and selling for $30 per acre are not changed during the five years covered by this example.

Purpose: Showing under these adverse conditions farmers can correct their problems if given the alternate-market chance to do so.

UNDER PRESENT CONDITIONS OF PRICE COST SQUEEZE

Acres	1	2	3	4	5	Net profit	Percent increase	Total yield	Bushels reduced	Percent reduced
Yield	$50	$55	$55	$55	$55			270	0	0
Cost	50	50	50	50	50					
Net profit	0	5	5	5	5	$20	0			

EFFECTS OF THE ALTERNATE MARKET

1st year:										
Yield	$30	$55	$55	$55	$55			220	50	18.5
Cost	25	50	50	50	50					
Net	5	5	5	5	5	$25	25			
2d year:										
Yield	60	30	55	55	55			225	45	16.6
Cost	50	25	50	50	50					
Net	10	5	5	5	5	30	50			
3d year:										
Yield	60	60	30	55	55			230	40	14.8
Cost	50	50	25	50	50					
Net	10	10	5	5	5	35	75			
4th year:										
Yield	60	60	60	30	55			235	35	12.9
Cost	50	50	50	25	50					
Net	10	10	10	5	5	40	100			
5th year:										
Yield	60	60	60	60	30			240	30	11.1
Cost	50	50	50	50	25					
Net	10	10	10	10	5	45	125			
Average each year							75			14.8

A study of this five acre, five year performance table of a farmer in serious economic trouble reveals the following:

1. The surplus is controlled. It is that number of bushels (50) in one acre that are produced at a break even point that doesn't result in any net profit to the farmer. This fifty bushels going to the market will depress the price of corn produced on the other four acres which represents a small profit. The fifty bushels also depress the price for other farmers who have richer land still producing at a net profit. It is in their interest to have it removed from the market.

After five years in the program this man could reduce the surplus by 40 percent taking out two acres of his cropland and still make 100 percent more net profit than he made to begin with. See 4th year in chart.

If the produced needed it, he could also increase production by 11 percent, make a net profit of 150 percent without increasing the price to the consumers or asking the producer to take less for his products.

2. The net profit for the farmer is greatly increased, he could now better stand a depressed market price than five years before.

3. His land is much richer than this conservative table indicates which means that adverse weather conditions will have less effects on his yields.

4. He has learned more about the science of agricultural production and also where to go to get the information.

5. The rural community in which he farms has not experienced a serious reduction in his demand for supplies. He has had net profit to spend in increasing amounts each year. When he leaves his farm, the land can produce more effectively than it could five years before, thus increasing community wealth.

6. The consumers of the farm products have not been asked to pay more or take less and they are assured of a steady supply of farm products for their children when the present farmer leaves the land.

Soil and water restoration and conservation are the vital part of successful farming anywhere in the world. This is nature's demand, not that of man. Farming in most cases destroys these resources. An alternate market offering to buy their restoration is most important.

Why have a market buying tons of a suitable crop at a fixed price occupying land for one year or more on any number of acres?

An "alternate market" competing with a first market for land use can prevent prices in the first market from going too high or too low and still have the free working of supply and demand for the consumer. Participation in the alternate market will be very sensitive to consumer demands in amount and kind of product. For example, substitute any set of figures for those in the chart based on yield, selling price and costs and any one of three choices will at once be evident:

1. The farmer who has no problem is not interested in the alternate market.

2. The farmer who has a problem can make more money producing for the alternate market on his poorer acres.

3. The farmer who does not have any soil productive enough to supply either the first or second market and return a profit at the price offered in either market must quit farming. The good economics and science of agriculture will tell him so.

"Tons" of a suitable crop are bought to measure degree of fertility and the kind of fertility provided by the farmer. Also to encourage the farmer to get the necessary scientific information so as to grow the largest amount of tons which by their weight reveal the degree of restoration he has done.

"Suitable crop" offers a scientific means for determining what kind of *land use* is most desirable. The best land use may be pasture and flood control, timber and wildlife habitat restoration, agricultural production plus wildlife with some special crops for insect control and high income vegetable and fruit crops. In some cases the preservation of wilderness, virgin prairies and their native creatures may be desirable, and add beauty to the landscape and serve as sources of recreation.

"Fixed price" is important so that a floor for agricultural production may be established for earning net profit below which farmers need not produce agricultural products. It also needs to be fixed so that above it an increase may be offered to encourage soil and water restoration to meet the need for our increasing population. The fixed price should begin at a place which will encourage farmers to return as much plant food to national cropland as is used in annual production and to hold the soil in place and provide water from rain fall to irrigate it for the highest economical production.

"One year" or more in the suitable crop is for the purpose of allowing a biological

adjustment (if any) to take place after large amounts of plant foods have been applied and to allow the farmer to control surplus production.

"On any number of acres" will allow a quick adjustment to supplies, up or down, by the land best equipped to do so. It will also give farmers a chance to shift to some other kind of farming if economic conditions suggest it.

"Community and social betterment" by encouraging industry to locate in the area to provide additional employment and utilize local resources.

Mr. BELCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. QUIE).

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, first I want to commend the chairman of the committee, the gentleman from Texas (Mr. POAGE), and the ranking minority member, the gentleman from Oklahoma (Mr. BELCHER), for really an excellent job on this bill. I used to serve on the committee and I know it is no easy task to put together a farm bill which is acceptable and which we can enact. I am going to make my own judgment on amendments and see if there will be some I would support or not, but I will give my commitment now that I am going to support this bill. I think it is necessary.

First, I would like to address myself to the Members of Congress who feel they have only consumers in their districts and feel they might not want to support this bill. I ask them only to look at what will happen in the event this bill is not passed and we go back to the permanent law, which is now being called the 1958 law.

Some years ago we had the battle over the bread tax and we were able to knock out the additional requirement for the processors to pay the additional tax on wheat. Under the 1965 act it has been limited to 5 cents. If this bill is defeated and we go back to the permanent law, the processors will pay $1.35, and every consumer will be paying through the nose for the bread that is bought, to pay for the payment to the farmer.

Some of the members of the Agriculture Committee might say that is good, but we will have great difficulty with the consumers if that is done, and I ask every Member to think of that. If this bill is defeated and we go back home we will find the price of bread will go up, and the consumers will have to pay the added price of the certificate, and the blame will be upon us.

No matter how we feel that this bill does not do as well for the farmer as we would like, it is far superior to the permanent law, the one the Democrats and the Republicans all were against in the 1958 act. We wrote one in 1965 and there was not agreement with everyone. Some people were opposed to it. This is an attempt to free it up a little more for the farmer, to try to pull up their income over the 3-year period. It is hoped we can write improved legislation at the end of that time. But I believe anybody who feels the consumers are going to benefit by the defeat of this bill is going to be entirely mistaken.

Lastly I commend the Members on the excellent provision on dairy and the class I base plan. I have felt for a long time if the class I base plan was used by those in deficit areas in order to freeze out everybody else and drive up the price, it would not work well. This provision encompasses what we envisioned and thought of as the class I base plan. It will eventually reduce the cost of the price support program.

(Mr. RHODES, at the request of Mr. BELCHER, was granted permission to extend his remarks at this point in the RECORD.)

Mr. RHODES. Mr. Chairman, the subsidization of agriculture is not anything new. It did not come about as a flash from the blue, but only after well considered legislative proposals had been debated and enacted by the Congress and implemented by the Executive.

One of the main ideas behind the farm subsidy is the fact that the farmer is one of the few producers of new wealth. From an economic standpoint, most industries and professions are processors and improvers of materiel and products which are presently available either in raw or unfinished state. However, the farmer, from raw land, brings into being goods, food and fiber which were not previously in existence. This is an economic fact in life which was recognized to have validity many years ago.

Because the farmer produced new wealth, his well-being has always been very basic to the well-being of the entire economy. Take the producers of new wealth out of any economy, and you find that that economy will become sluggish and depressed. This is certainly true of the American economy, as we have discovered in many instances in which farm depressions were followed immediately by economic recessions.

Subsidies were also allowed as a mere matter of fair play. Because the farmer produces crops which are perishable to varying degrees, he is at the mercy of the marketplace. It is easy for persons who are well versed in marketing methods to keep the market low at the time the farmer must harvest and market his crop. This occurred for many years prior to the intervention of the Federal Govenment. Farm programs have given stability to the farmer and allowed him to market his crops in a more orderly, profitable, and fairer manner.

The third reason for subsidies has been that, without them, there will either be a lack of production of food and fiber, or the price of farm products would advance greatly. In other words, the cost of production and a modest profit is guaranteed the farmer so that he will stay in production, and, even more importantly, the consumer can be supplied with the products of the farms at reasonable prices.

Many of the Members of the House who think it is good politics to vote against this bill or to vote in favor of unrealistically low limitations of payments to individual farmers may find themselves embarrassed. The lack of a program or the imposition of a low limitation will either cause a scarcity of farm products or an increase of prices which will certainly be felt by the housewife when she does her marketing. If the housewife becomes unhappy in the market, she may well extend her unhappiness to the voting booth.

Mr. Chairman, I am sure that there are parts of this bill which each of us would change. However, in the main, it is a good bill. I congratulate the members of the Agriculture Committee, and especially their chairman, the gentleman from Texas (Mr. POAGE) and the ranking minority member, the gentleman from Oklahoma (Mr. BELCHER) on the fine work they have done.

Mr. BELCHER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we are at the end of the general debate on this bill. We have been debating this bill for about 15 or 16 months. I suppose we will continue to debate it tomorrow.

I believe anyone who has listened to the debate today will find that not a single member of this committee is 100 percent satisfied with the bill. That is the reason why we have been able to get a bill out supported by 27 members of the committee, by the ranking member, by the chairman of the committee, by the Department of Agriculture, by the President of the United States, and the Bureau of the Budget.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Minnesota.

Mr. NELSEN. I have been reading some comments in the press relative to this bill. Some charge it is a Democratic bill and others that it is a Republican bill. As nearly as I can gather from the debate here, this is pretty much a committee bill drafted by the committee. Would the gentleman have any comment on that?

Mr. BELCHER. There was a whole lot of drafting done in the committee.

I might say, this is the first time in 20 years I have been a cosponsor of a general farm bill. In most of those years I have been in opposition to the general farm bill.

This bill I believe cannot be claimed by any single member of the committee, by the Department of Agriculture, by the Bureau of the Budget, by any farm organization or anything else.

Mr. NELSEN. I thank the gentleman.

Mr. BELCHER. The reason why we were able to get this bill together is everybody had to give a little. We got together to discuss it. During all that period of time I believe every member of the committee had to give in on some particular pet theory of his.

There were many times when I did not think there was any possibility at all of getting everyone together. Probably in the final analysis the only reason why we were able to get a bill out is because everybody began to realize we were going to be in a whale of a shape if we did not get out a farm bill.

We also found that no single group, no single organization—whether it was the coalition, the Farm Bureau, the Republican side of the House, the Democratic side of the House, the Department of Ag-

riculture or anybody else—could get a farm bill out all by themselves. We were just pretty much out in the stream altogether, and we all had to get in the same boat or we were going to sink. That is exactly what we did.

There will be amendments offered tomorrow. I have a lot of amendments I should like to offer myself. There are a lot of things about this bill I should like to change. I argued loud and long for them in the committee, as did many other members of the committee. But we all gave ground in order to get a bill.

If we are going to start adopting amendments here tomorrow, we are soon going to find out we will not all be in the same buggy, and if we are not all in the same buggy on tomorrow night or the next day we are probably going to be defeated on a farm bill.

A lot of people say, "Well, I have been wanting to get rid of farm bills for a long time. I have not thought they were any good."

Members have heard the stories about the big payments to the big farmers and so forth, and what a horrible farm program we have had.

Well, I do not represent a farmer who gets, probably, more than $1,000. I doubt if I represent a farmer who gets $5,000, in the whole district.

The reason why I am anxious to get out a farm bill is that I believe without a farm bill we are going to kick off a depression in this country and then everybody is going to get hurt.

I do not care whether you live in New York City or Chicago or what your job is. I do not care whether you are a manufacturer or a broker or an ordinary laborer. Any time the economy of this country goes into a depression every single person in the United States is going to get hurt. My people who live in Tulsa are going to get hurt just as much as the farmers are. That is the reason why I am trying in every way I can to get this bill out. I have gotten, by argument with the Administration and with the Department of Agriculture and members of the committee and everyone else, the very best bill that we can. If you want it, take it. If you do not want it, you are going to get hurt worse than I will.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. FOLEY).

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, as one of those on this committee who were probably most dissatisfied with certain sections of the bill or among those who were, and did not vote affirmatively to report this bill out, I want to say to my colleagues that at the same time I feel it is vitally important the bill be passed.

There are those who feel at this juncture we can afford to put aside this bill and defeat it and count on something coming forward either in an extension of the 1965 act or in some other approach. I am not so sanguine about it. We are in the late months and weeks of this Congress, and I think we undertake an enormous risk if this House does not vote to pass this bill which is presently before us. I had hoped for something better for wheat and feed grain farmers in particular. I exerted every effort in the committee to get something better and worked as closely as I could with the gentleman from Texas (Mr. PURCELL) to that effect, but at this juncture I believe it would be foolhardy for anyone concerned with the welfare of the American farmers to block this legislation or defeat it.

I want to say to my urban colleagues—and I wish more of them were here to hear this—if agriculture suffers I am sure as the distinguished gentleman from Oklahoma says—if agriculture suffers a tremendous recessionary impact by having these programs defeated overnight, it will be felt in every manufacturing and urban area in this country. American farmers expend $34 billion annually in the agricultural economy. Three out of every 10 American employees are employed directly or indirectly in agricultural business. Farmers now spend most of the $16 billion that they make in income in the consumption of goods manufactured and produced in this country. The impact of the defeat of this bill on the agricultural economics and immediately in terms of the national welfare and economy would be so startling and grave and effective in bringing about a further recession in our economy that I think it ought to be looked upon with grave concern by every American.

Mr. BELCHER. Mr. Chairman, I yield such time as he may use to the gentleman from Minnesota (Mr. LANGEN).

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, As we have both seen and heard during the course of the debate today, it is easy to find fault with the legislation that is before us. This serves to identify the complexities that exist in attempting legislation that will adequately serve agriculture throughout the Nation with all of the varied geographical conditions, as well as the varied types and combinations of operations.

While this may seem to present a difficult, and at times almost an impossible situation, it is more indicative of an agricultural industry that is well established and well equipped to serve the food and fiber needs of this Nation, together with a big part of the rest of the world.

We had ought not to be disillusioned by the fact that there are some problems in attempting to find a legislative combination that will serve both the best interests of agriculture, and the entire Nation and all of its citizens. The history of agriculture throughout the phenomenal growth of this Nation has always contributed greatly to our economic stability, to the industrial growth of the Nation and the health and welfare of generation after generation.

For these reasons it becomes pertinent that if we are to expect to continue to have economic and industrial growth, to maintain the envied reputation of being the best fed Nation in the world, and to remain an international power, we need to legislate in such a manner that agriculture's future is assured of a rightful and well-earned place in both our economic and social structures.

There are endless statistics which offer ample and undisputable proof that statements I have just made are true and correct. I shall not attempt to reiterate many of them here today because the committee members have already placed them before you both emphatically and eloquently. In addition, they have prepared within the committee a compilation of information relating to agriculture entitled "Food Costs and Farm Prices" which are most convincing.

But let me just refer to a couple of statistics that will serve to identify for each of us the importance of our decisions during today and tomorrow. I have already made reference to agriculture's great contribution to the industrial and economic growth of this Nation. There is one very simple statistic that emphasizes this more emphatically than any combination of words can do. It is a fact as stated by the chairman of the committee that the cost of food to the American populace amounts to only 16½ cents out of the net income dollar. The significance of this is that it also reveals that there is left out of that income dollar 83½ cents with which to purchase other commodities. It is this money that has provided the great domestic market for manufactured goods of every description, whether it be automobiles, snowcats, housing, or any and all of the rest of the many comforts that we enjoy.

Compare it to other nations, several of which the price of food is more than 50 percent of the income dollar, and one can easily see why their industrial growth is not comparable to ours. Consequently, every citizen owes a great debt to the American farmer, not only because he has been provided with food cheaper than anywhere else in the world when related to income, but also for the many other conveniences he has shared and enjoyed throughout the years. May you also remember that farm programs have been a substantial part of this contribution during the past 35 years or more.

One other statistic that we had not ought to forget: while the Nation has struggled with a continuing inflation over the years, the 1969 prices received by farmers were 4 percent lower than in 1952 which is the last year when farm prices were equivalent to 100 percent of parity. Yet during that time the retail food prices were up 29 percent. Now let us not let it be said that farm prices have been the influencing factor in the increases of retail food prices, for they can be accounted for only when you consider the increased costs of doing business which the farmer has also had to bear. We, of course, could not quote statistics like that were it not for one undisputed fact, for it tells us very clearly of the efficiency of American agriculture. Had it not been for their ability to produce efficiently, our farmers would have gone out of business long ago in view of those facts.

The productivity of the American farmworker increased at the rate of 6 percent a year during the 1960's while the manhour output in nonagricultural industry

increased by only 3 percent a year. It has generally been accepted that such accomplishment in our system should also produce like rewards. Here, however, is the identity of an often repeated expression—farm problems exist. For the income to the producer of food and fiber has not anywhere near kept pace with the income of other sectors of our populace and economic structure.

With these facts in mind, it should become obvious that this bill should attempt to correct and improve this economic inequity. Let us not kid ourselves into thinking that it does, however. It will do well if it can even hold farm income at present levels. It is the very minimum that we can, with any degree of reasonableness, offer to the farmers and rural America. It is not surprising, as has been stated before, that there are many farm people, groups and associations, who are completely dissatisfied with this legislation. It becomes obvious the bill does not solve the inequity that I referred to a moment ago. It does not even offer any resemblance of reward that these folks have so diligently earned during all the years of our history, whether at peace or at war.

However, this House is faced with a most difficult, complex, and yet important decision. For it appears that following the length of time in which deliberations have taken place on this legislation, dating way back to last year, the bill before us represents the best that the committee could produce and arrive at an acceptable common agreement. They have worked hard and long and are deserving of compliment. The Department of Agriculture and the Secretary have worked just as diligently in attempting to work with the Committee to find a ground of common acceptance that would at least grant assurance that agriculture is not going to take a further step backward. And, so it seems that the question resolves itself—Shall it be this bill, or none at all? All of you know I am sure that with that alternative, there can be only one choice—this bill.

It would seem that there are still three areas in which this bill could be amended to improve it and yet not change its structure, objective, or cost to such extent that it would become undesirable in any significance. The changes I have in mind are these:

First, there is no good reason whatsoever why the loan rates on either wheat or feed grains should be permitted to range at the Secretary's discretion from 0 to 100, or 0 to 90 percent of parity. Quite obviously any loans at 0, 10, 20, 30, or 40 percent are of no consequence to anyone. The very minimum might well be 50 percent or even higher.

Second, if we have any intention whatsoever to improve the market prices, then the resale price of commodity credit stocks should surely be set at a level higher than is authorized in this bill. It is sheer folly that these stocks should have the effect of reducing prices at such time as the program may have been successful to the degree of having created some improvement in prices.

Third, the parity concept as applied to feed grains should be retained much the same as the bill provides for wheat. Once that parity concept is lost, it will be difficult to regain it and it is the only comparison whereby farm prices are stipulated in a manner that reflects the continuous increased costs of production and the effects of inflation. In these days when these increased costs are serious problems to so much of the rest of the populace, we cannot afford to leave an industry as large and significant as agriculture without acknowledging the problems created for them.

However, I do hope that even as the bill is written, the Secretary and the Department will pay due regard to the factors I have just referred to, and not permit this one sector of agriculture to be shortchanged.

It would be easy for me at this point to talk about legislation that I have introduced which involves an entirely different approach to the problem and is aimed directly at creating improved market prices. However, at this stage, it would seem rather superficial to do so.

I do acknowledge, however, that one of the desirable factors in the bill before us is that it does present a greater leeway for the individual farmer in the planting of crops within the wheat and feed grain programs. This is a recommendation that I have made on many occasions and is also a part of the bill to which I referred earlier. While I find it a difficult and somewhat disappointing decision, it does seem that in view of the present circumstances that confront us legislatively, politically, and practically, I do not have much choice but to support the bill and urge my colleagues to do the same. It would be my desire that we might have done better for the farmer in rural America.

However, in view of the lack of time and other complications, it seems that this becomes the only choice that we have on this day. I would share and recommend the hope if this bill becomes the law of the land that during this next 3-year period, some constructive and diligent study be directed to any and all means and objectives which can be achieved by legislation or produced that will serve to improve the inequities evident here today. Unless we do, this Nation may well face food and economic problems with which none of us desire to be confronted.

Mr. POAGE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I take this time simply for the purpose of emphasizing the point which was made by my friend from Oklahoma that this bill is a workable bill as it stands. It is a bill that has support from a great many sources, none of whom finds it entirely satisfactory but all of whom have agreed that it is the best we are going to get. It is something that we can get. This is an opportunity to give to our farmers an additional $3.5 billion in spending power, which is important not only to our farmers but to our whole economy. It is vital to our whole economy, in my judgment.

But the bill will not achieve those results if it is butchered up on the floor tomorrow. The important thing is that this bill is now in a form which has general support. It has what I believe is the maximum support that we can get for it. If we begin, each one of us, trying to put our own brand on it—and I have just as many reservations as anybody has—we are going to kill the bill. I am not going to offer any amendments and I do not propose to support any except the committee amendment. I hope the members of the committee and I hope the Members of Congress will go along with us in not supporting other amendments. I know there will be some very meritorious amendments offered, but we have a balance now which can pass. If we destroy that balance we are going to lose our entire chance, and I do not believe we should take that chance. I think we had better pass the bill as it is.

Mr. BELCHER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, talking about how much difference of opinion there is, I know a lot of people must think that when you try to write a farm bill people just cannot get together. Well, when you try to write a labor bill all the labor people are in the same boat. When you start writing a farm bill you have about 265 different commodities that are produced in this country, and you have all kinds of geographical conditions.

I remember one time when I started out on one of the hearings that we had across the country, that cattle were very cheap, and so many of the people in Oklahoma were raising cain about the fact that cattle were so low. And then I was up in Nebraska, and I was telling some of those fellows up there, I said:

You know, it just beats the dickens how low cattle are.

Well, they said:

What do you mean "low"? Why, you dog-gone Oklahomans are getting twice what the cattle are worth. Now, how do you think we can pay that price down in Oklahoma and feed them corn up here in Nebraska and sell them on the market in Chicago?

So I found out.

And then we were up in the vegetable area of New Jersey, and they said:

Well, now, one thing that we do not do is ask anything off of the government, but we just do not want you subsidizing our opposition. We do not want you to let these acreages that come out of the cotton acreage be planted with vegetables.

And so regardless of what kind of a farm bill you try to write, you have got all kinds of different interests.

On this bill right here, when I was trying to get it balanced, I would go down and get the administration to agree for a little benefit for wheat, and then the cotton people would say, "Now, listen, if you are going to do that for wheat, then you have got to do it for cotton."

And then the feed grain people would come along and say, "If you are going to do it for wheat, then you have got to do it for us." And then we would get everybody satisfied, and then in a little bit we would have the cotton people——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BELCHER. Mr. Chairman, I yield myself 2 additional minutes.

Then you would have the cotton people getting a few extra acres, and then the gentleman sitting right here would say, "Well, now, listen. If you are going

to do that for cotton, why do you not do it as well for feed grains?" So that is exactly what you are up against every single time you try to write a farm bill. And in this particular farm bill everybody has had to have their feet stepped on just enough times that we have got kind of a balance now. If you ever upset that balance at all, if we adopt one amendment that helps feed grains tomorrow, the cotton people will vote against the bill.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Texas.

Mr. POAGE. I thank the gentleman for yielding, and I would like to explain this much about the mechanics tomorrow on the bill. Of course there will be a committee amendment which we consider as a part of the bill; it relates to this limitation on payments, and it will be the first thing that will be offered. And of course I want to make it clear that the committee offers that as a committee amendment rather than as a part of the bill, in order that those who feel that they must vote for a limitation on payments will have an opportunity to do so by a separate vote on an issue which they can support affirmatively. This provides the opportunity for everyone who believes that he must vote for a limitation of payments to have an affirmative vote. That is the reason it is offered as a separate amendment.

I thank the gentleman for yielding.

Mr. BELCHER. Mr. Chairman, I yield back the balance of my time.

Mr. DENT. Mr. Chairman, I oppose H.R. 18546. It is legislation that is ill conceived and ill advised. It conitnues American agriculture in an unfortunate direction, and is not good for the type of farms and farmers we have in my home State of Pennsylvania.

This bill is nothing more than an extension of the ineffective and outrageously expensive Food and Agricultural Act of 1965. Instead of providing an orderly transition away from the programs which have made farmers dependent on payments from the Federal Treasury, H.R. 18546 would actually expand and extend payments for another 3 years.

Mr. Chairman, to continue our present course is ludicrous. The 1965 act has not done what its proponents promised. It has not improved the farmers' parity position. It has, in fact, raised costs to taxpayers, failed to increase farm exports, and failed to expand farmers' domestic markets. Moreover, the 1965 act has failed to reduce—or even to stabilize—the cost of food to consumers.

Instead of extending the 1965 act, with the minor changes included in this bill, it would be the better choice to pass no new legislation, and thereby permit programs authorized by basic law to be put into operation.

Mr. Chairman, I believe we need to change direction in U.S. farm policy, and support the concept embodied in H.R. 11070—the Agricultural Adjustment Act of 1969.

The CHAIRMAN. If there are no further requests for time, pursuant to the rule, the Clerk will read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1970".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee a mendment.

The Clerk read as follows:

Committee amendment. Page 1, line 5, insert:

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided,* That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

Mr. POAGE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 18456) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND REMARKS

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and include extraneous material at that point in the RECORD during the tributes made in Committee of the Whole to the late Honorable MICHAEL J. KIRWAN.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I also ask unanimous consent that all Members who spoke in tribute to the late Honorable MICHAEL J. KIRWAN be privileged to revise and extend their remarks and include extraneous material.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17548) entitled "An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, offices, and the Department of Housing and Urban Development for the fiscal year ending June 30, 1971, and for other purposes."

The message also announced that the Senate agrees to House amendments to the Senate amendments numbered 7, 30, 39, and 55.

APPOINTMENT OF MEMBERS OF THE COMMISSION ON THE BANKRUPTCY LAWS OF THE UNITED STATES

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 91–354, the Chair appoints as members of the Commission on the Bankruptcy Laws of the United States the following Members on the part of the House:

Mr. ROGERS of Colorado.

Mr. WIGGINS.

APPOINTMENT OF MEMBERS OF THE SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 1062, 91st Congress, the Chair appoints as members of the Special Committee to Investigate Campaign Expenditures the following Members of the House:

Mr. O'NEILL of Massachusetts, chairman; Mr. SMITH of Iowa; Mr. ANDERSON of Tennessee; Mr. DEVINE; and Mr. KYL.

PAYMENT LIMITATION AMENDMENT TO FARM BILL

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, as I understand the parliamentary situation, the first item of legislative business to be considered when the House convenes tomorrow will be title I of the farm bill, the payment limitation title. The next of the title which is in the form of a committee amendment has been real by the Clerk, which makes it the pending business of the House.

As I understand the parilamentary situation, an amendment to the committee amendment or a substitute to the committee amendment would then be in order. I would like to give notice to my colleagues in the Chamber that at that time I will be on my feet seeking recognition for the purposes of offering a substitute to the committee amendment. It is my conviction that the committee amendment establishes at much too high a level the limitation on payments.

I am aware that this $55,000 per crop limit as provided in the committee amendment does represent an advance. For 6 years I have been seeking at every opportunity to establish in our farm programs a limitation on the total amount that any individual farmer can receive. The House on several occasions has by record vote established in its version of an appropriation bill or a legislative bill a $20,000 level, but unfortunately the opposition of the other body has caused this to be deleted before that particular bill became law.

This year the situation is different. It is much improved. The other body has finally, at long last, accepted the $20,000 limit. This was done when my colleague, the gentleman from Illinois, the junior Senator (Mr. SMITH) offered an amendment to the agriculture appropriation bill. This provided a limitation of $20,000 per person, and it was accepted by the Senate by a surprising margin on a record vote. It surprised many of us on the House side and delighted those of us who like myself have been trying for many years to establish a limitation at a responsible level.

LEGISLATIVE REORGANIZATION ACT OF 1970

(Mr. SCHWENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHWENGEL. Mr. Speaker, it is now more than 3 weeks since the reorganization bill was first considered on the floor and we have yet to complete consideration of the first title of the bill. This is without question, one of the most important bills to be considered by this House in several years, and the progress that it has made up to this point is a disgrace.

The Congress is badly in need of reform, and this bill as introduced, was a step in the right direction though an inadequate step. Those amendments which have been successful, have made the bill more acceptable. Much of importance has already been omitted. Some of the leadership has used the scare tactic of warning that a "loaded down" bill would not pass, in spite of clear spirit on the part of a majority of the Members on the side of sweeping comprehensive reform. As a matter of fact, I am of the opinion that many of the amendments which have been adopted, as well as some which have been rejected, would serve to "lighten the load" with respect to passing this bill.

The kind of rearguard action in which some have been engaged has served not only to delay the proceedings, but also to damage severely the bill's chances of final passage and approval by both Houses.

A bill as important as this one should certainly be given top priority during the period that it is under consideration, but the leadership on both sides of the aisle has seen fit to relegate this bill to the late hours of the sessions, leaving inadequate time each day for full consideration, and then refusing to stay late in order to complete action on the bill. This bill should be given top priority every day until final action is taken.

I would expect the American people to lose a great deal of confidence in the Congress if they realized the manner in which their leaders have acted when faced with significant attempts at reorganization and reform of the Congress. Honestly, this lack of confidence is one of the main reasons for the bill in the first place. Let us not lose what we are trying to regain. I call upon the rank and file Members of this body to persuade the leadership to complete consideration of this bill before we recess next week, a mere 2 or 3 weeks after we should have acted, in order that the Senate have a chance to consider it. Otherwise, final passage will be late at best, and the bill could easily die in limbo between the two bodies.

REMARKS OF CONGRESSMAN ADDABBO ON H.R. 2076, WITHHOLDING CITY INCOME TAXES

(Mr. GREEN of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Pennsylvania. Mr. Speaker, yesterday during the consideration of H.R. 2076, my colleague and friend from New York, Mr. ADDABBO, a key supporter of this measure asked me for time to speak. Learning that time was not available, he asked me to submit his remarks. In the rush of business, I neglected to do so. Today, I submit his remarks and thank him for his keen interest and strong support of this measure:

REMARKS OF CONGRESSMAN ADDABBO, IN SUPPORT OF H.R. 2076

Mr. Chairman, I rise in support of H.R. 2076, a bill to authorize withholding of city income taxes from the compensation of Federal employees. I am a co-sponsor of this legislation and I urge my colleagues to vote in favor of this measure, which would provide assistance to thousands of federal employees who are subject to city income taxes.

In New York City alone there are thousands of postal workers, customs employees and persons employed by other federal agencies who do not have the protection of withholding on income of New York City income tax. This can produce hardship and financial difficulties at the end of the year when a huge tax burden is suddenly imposed in one lump sum on the employees.

H.R. 2076 is designed to bring relief to federal employees without creating any undue workload on the federal government acting in its capacity as employer. I urge your support of this bill.

THE NEED FOR A BALANCED AND EFFECTIVE PROGRAM TO COPE WITH NARCOTIC ADDICTION

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, in recent years, national attention has been drawn to the wildly surging rate of narcotics addiction, and we have been continually cautioned about the tragic implications of this situation. As a Nation, however, response to these warnings has been slow, and our efforts puny and ineffective. Now, to our national shame, the situation has burst into epidemic proportions. Narcotics addiction has driven crime rates to staggering new highs, gripped many of our young people in a horrible demeaning sickness, and caused a social disorder that threatens the very fabric of our society.

I do not think I need dwell on the enormity of the problem. Certainly there is none among us who is unaware of the dangers inherent in drug use and abuse.

That such an outrageous situation was allowed to develop is largely the product of ineffective legislation in this area. The Federal program that was established under the Narcotics Addict Rehabilitation Act of 1966 has proven itself incapable of coping with the problem. In 1968, out of some several hundred thousand drug addicts at large in this country, less than 300 were civilly committed for treatment under this program, and in 1969 only 822 addicts were so committed for treatment. At the same time, it is equally shocking to note that more than 700 known addicts were refused admittance to the program on the grounds that their condition was so severe that they were incapable of rehabilitation. When one considers that the typical hard-core heroin addict currently needs approximately $50,000 annually to support his habit, it is unconscionable to send the most hardened addicts back into the streets where they are liable to commit further crime. They should be detained and put under medical supervision and control.

Our responsibility is clear. We in Congress must act quickly to develop a vigorous program to meet the narcotics epidemic squarely and effectively. Congressman PETER RODINO, of New Jersey, has proposed—and I am cosponsoring—a bill which I think will be a decisive step in the right direction.

The 1966 act laid the methodological framework for treating and controlling narcotics addiction, but our experience with it has revealed glaring deficiencies—it must be strengthened and better funded to become a viable bulwark against the further proliferation of drug addiction. Presently, the law allows only the addict or one of his family to initiate a proceeding for a civil commitment to a medical facility; it neither allows nor recommends the authorization of public health or law enforcement officials to initiate such proceedings even if the person is a known addict and has committed a crime.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

For actions of August 5, 1970
91st-2nd; No. 134

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HIGHLIGHTS: House passed farm bill.
Senate agreed to conference report on Youth Conservation Corps bill.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

HOUSE

1. FARM BILL. Passed HR 18546, the proposed Agriculture Act of 1970 after taking the following actions:

Agreed to a series of technical amendments, p. H7789

Rejected the following:

Lowenstein amendment to the committee amendment that sought to reduce payment limitation to $10,000 per crop per year, p. H7778

Findley substitute amendment to the committee amendment designed to reduce payment limitation to $20,000 per year per crop; also bars evasion of that limitation, p. H7778

Jacobs amendment that sought to reduce payment limitation to $20,000 for 1971, $10,000 for 1972, and would eliminate payments in 1973, p. H7778

Steiger, Ariz., amendment authorizing the CCC to make long-term loans at a cost of 1 percent above CCC cost, p. H7778

Melcher amendment that sought to exempt wool from price support, p. H7778

Melcher amendment that sought to exclude the State share of leased farmlands from payment limitation, p. H7778

Point of order was sustained against Melcher amendment to limit total farm payments to any person per year to $500,000, pp. H7778-9

Point of order was overruled against Melcher amendment that was eventually rejected that would prohibit any farm payments unless the farmowner is in compliance with all applicable Federal health and safety laws, pp. H7779-82

Eckhardt, Tex., amendment designed to halt farm payments to a farmer unless that farmer certifies that he is in compliance with all applicable Federal health and safety laws, pp. H7782-3

Hall amendment in the form of a substitute that would provide for establishing a cropland and water restoration program, and an annual cropland restoration program, repeal authority for acreage allotments, marketing quotas, and marketing certificates; stressing soil and water restoration, pp. H7783-7

Melcher amendment that sought to maintain present levels of returns on wheat, pp. H7791-3

Zwach amendment calling for parity on corn, pp. H7794-7

Scherle amendment seeking to retire 10 million acres of farmland, pp. H7800-3

Railsback amendment calling for an expanded long-term land retirement program, pp. H7803-6

Melcher amendment calling on the Secretary of Agriculture to study the use of the unit train concept in moving commodities to market, p. H7807

Teague, Calif., motion to recommit to the Committee on Agriculture with instructions to report it back forthwith containing an amendment that would strike out titles I (payment limitation), IV (wheat), V (feed grains), VI (cotton) and VIII (miscellaneous provisions), pp. H7814-5. pp. H7753-4, H7760-816, H7840

House of Representatives

WEDNESDAY, AUGUST 5, 1970

The House met at 12 o'clock noon.

Father John T. Creed, St. Margaret's Church, Saugus, Mass., offered the following prayer:

Heavenly Father, almighty and eternal God, we ask Your blessing on these Members of the House of Representatives.

Bestow on them Your guidance in order that they might perform their duties in helping all God's people who are in need. Lord, we call upon Your Holy Spirit to assist those who are educating our youth so that they might be well prepared to take on the many responsibilities that a great nation demands of its people.

We further beseech You, O Lord, to help our Nation to unite that, regardless of race, color, or creed we may be truly one nation under God.

This we ask in Your name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 10, 1970:

H.J. Res. 1284. Joint resolution authorizing the President's Commission on Campus Unrest to compel the attendance and testimony of witnesses and the production of evidence, and for other purposes.

On July 13, 1970:

H.R. 2047. An act for the relief of Roseanne Jones;

H.R. 5000. An act for the relief of Pedro Irizarry Guido; and

H.R. 12858. An act to provide for the disposition of certain funds awarded to the Tlingit and Haida Indians of Alaska by a judgment entered by the Court of Claims against the United States.

On July 16, 1970:

H.R. 5106. An act for the relief of Rogelio Tabhan;

H.R. 16739. An act to extend until July 3, 1974, the existing authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines;

H.R. 17868. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1971, and for other purposes; and

H.J. Res. 224. Joint resolution to change the name of Pleasant Valley, Canal, Calif., to "Coalinga Canal."

On July 17, 1970:

H.J. Res. 746. Joint resoltuion to amend the joint resolution authorizing appropriations for the payment by the United States of its share of the expenses of the Pan American Institute of Geography and History.

On July 23, 1970:

H.R. 11766. An act to amend title II of the Marine Resources and Engineering Development Act of 1966.

On July 22, 1970:

H.R. 2036. An act to remove a cloud on the titles of certain property located in Malin, Oreg.

H.R. 7618. An act to provide for the conveyance of certain real property of the Federal Government to the Board of Public Instruction, Okaloosa County, Fla.

On July 24, 1970:

H.R. 7517. An act to amend the Canal Zone Code to provide cost-of-living adjustments in cash relief payments to certain former employees of the Canal Zone Government, and for other purposes.

H.R. 16595. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes.

On July 29, 1970:

H.R. 12758. An act to authorize the Secretary of the Interior to establish a volunteers in the park program, and for other purposes.

On July 31, 1970:

H.R. 14452. An act to provide for the designation of special policemen at the Government Printing Office, and for other purposes.

H.R. 14453. An act to authorize the Public Printer to grant time off as compensation for overtime worked by certain employees of the Government Printing Office, and for other purposes.

H.R. 17619. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1971, and for other purposes.

On August 1, 1970:

H.J. Res. 1328. Joint Resolution making further continuing appropriations for the fiscal year 1971, and for other purposes.

H.J. Res. 1336. Joint Resolution to extend the effectiveness of the Defense Production Act of 1950 to August 15, 1970.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 14114. An act to improve the administration of the national park system by the Secretary of the Interior, and to clarify the authorities applicable to the system and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14705) entitled "An act to extend and improve the Federal-State unemployment compensation program."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2846) entitled "An act to assist the States in developing a plan for the provision of comprehensive services to persons affected by mental retardation and other developmental disabilities originating in childhood, to assist the States in the provison of such services in accordance with such plan, to assist in the construction of facilities to provide the services needed to carry out such plan, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. YARBOROUGH, Mr. WILLIAMS of New Jersey, Mr. KENNEDY, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. DOMINICK, Mr. JAVITS, Mr. MURPHY, Mr. PROUTY, and Mr. SAXBE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3302) entitled "An act to amend the Defense Production Act of 1950, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. MUSKIE, Mr. MONDALE, Mr. HOLLINGS, Mr. BENNETT, Mr. TOWER, Mr. GOODELL, and Mr. PACKWOOD to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3586) entitled "An act to amend title VII of the Public Health Service Act to establish eligibility of new schools of medicine, dentistry, osteopathy, pharmacy, optometry, veterinary medicine, and podiatry for institutional grants under section 771 thereof, to extend and improve the program relating to training of personnel in the allied health professions, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. YARBOROUGH, Mr. WILLIAMS of New Jersey, Mr. KENNEDY, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. DOMINICK, Mr. JAVITS, Mr. MURPHY, Mr. PROUTY, and Mr. SAXBE to be the conferees on the part of the Senate.

The message also announced that the Vice President, pursuant to Public Law 84–872, appointed Mr. SMITH of Illinois to the Franklin Delano Roosevelt Memorial Commission in lieu of Mr. JAVITS, resigned.

FARM SUBSIDIES MILK THE TAXPAYERS

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, today we are to vote on the farm bill which provides an expenditure of $3 billion a year for the next 3 years but does little in the way of uplifting the small farmer or helping the consumer. It is just a continuation of the old farm program, which has spent over $40 billion and has not solved the

problems of fair prices for either the farmer or consumer.

There is something wrong with a system that provides $3 billion annually to finance price supports and to pay farmers not to grow crops when there are hungry people in our own country and in the world. This $3 billion budget compares poorly with the meager $104 million budget the Congress has approved for the school milk program which President Nixon had recommended be cut out entirely as an economy measure.

At last, and for the first time, the House Committee on Agriculture has recommended that a limitation be placed on payments that can go to any one farmer. Unfortunately, the committee still has been too generous with the larger producers and placed the ceiling at $55,000 per crop. What this, in fact, means is that a single producer could receive as much as $165,000 for the three crops covered by the program. With 25 million Americans living below the poverty line, it is irresponsible to give away such large sums of the taxpayers' money to a single individual or farming corporation. It is for this reason that I am supporting the amendment being offered by the gentleman from Illinois (Mr. FINDLEY) to place the ceiling at $20,000 per crop, although I believe this to be still too high. This reduction would save the taxpayers an estimated $250 million a year.

I am also cosponsoring and supporting an amendment being offered by our distinguished colleague, the gentleman from Illinois (Mr. MIKVA) to provide that any farmer receiving payments of over $5,000 in farm subsidies would be required to certify that he is in compliance with all applicable Federal, State, and local employee health and safety laws. For years the Federal Government has been paying subsidies to the farmowners, with little regard for the farmworker, forcing many of these people without skills to migrate north placing a great burden on the cities' welfare programs. Surely, the Government has the obligation to demand some minimum standards to protect farmworkers just as the farmowner receives assistance themselves. Those who would particularly benefit from this amendment would be the migrant workers who today are completely without protection and so many of whom are living under the most inhumane conditions.

Mr. Speaker, if either of the amendments fails, I will vote against the bill.

WHO WILL BELL THE CAT?

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Speaker, we may yet get to the bottom of the mystery of who in the Federal Establishment is responsible for prosecuting violations of the new airline ticket tax secrecy law.

As I am sure everyone recalls, breaking down taxes and air fares was made illegal, as of July 1, by Public Law 91-258, the Aviation Facilities Expansion Act. The stricture applies to both advertising and ticket forms, and violations are theoretically punishable by $100 fines.

Not surprisingly, a number of travel agents doubt the constitutionality of this prohibition, since it would appear to infringe on our free speech guarantees. Some agents would like a court test, and one, David Peters of Beverly Hills, Calif., has solicited my help in finding an agency that will bring charges against him. On the date the law took effect, Mr. Peters defied the secrecy requirement, by detailing fare and tax information on a ticket blank. He is disappointed that now, more than a month later, no one has tried to bring him to justice.

Last July 24 I explained Mr. Peters' problem in a letter I wrote to Commissioner Randolph W. Thrower of the Internal Revenue Service.

Mr. Thrower has advised me that the Peters case has been referred to the Chief Counsel for the IRS, and that they will be in touch with me again at an early date.

If the IRS is half as aggressive as its reputation would indicate, Mr. Peters should get his day in court after all.

URGING SUPPORT OF CONTE-FINDLEY AMENDMENT TO FARM BILL

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, yesterday's much-discussed letter from the President on farm subsidies was sent because it was demanded.

If I have ever seen a weak endorsement, this letter is it. First, the President says he will "abide the congressional judgment." He has not rejected my amendment.

Second, the President refers to "these technical reasons" as his basis for supporting the committee limitation. Well, the fact is that not one single technical reason was even mentioned in the President's letter. And for good reason—there are none.

The only significance of this letter is that it indicates the very deep concern the President feels for getting a farm bill through the Congress this year. I share that concern and support the bill except for the subsidy limit.

And for that reason, I would note that without the lower $20,000 ceiling, many of our urban colleagues will reject this bill.

The President nowhere rejects the $20,000 limit. The administration can live with it, and the people demand it.

Therefore, I urge my colleagues to support the Conte-Findley amendment.

DEMOCRAT BIG SPENDERS

(Mr. ARENDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, we have heard a lot of talk from the Democrat big spenders recently on how they are really fiscally responsible and how all they want to do is reorder priorities.

But let us face it. What they really want to do is spend bigger and bigger chunks of the average man's income for him.

It is typical of the Democrat big spenders that they always think they know how to spend money better than the man who has earned it.

As a result, since the end of World War II the Democrat big spenders have increased the total tax bite on the average man from 25 to 33 percent.

From one-fourth of his income to one-third.

And at the same time they have given us an inflation that allows the wage earner to buy even less with what they leave him.

The big spenders have reordered priorities all right. And we are all feeling the effects.

CORRECTION OF THE RECORD

Mr. ZWACH. Mr. Speaker, I ask unanimous consent to correct my remarks on the farm bill, H.R. 18546, page H7692, appearing in the RECORD for August 4, 1970. In the first column, line 5, "imports" should read farm inputs; and in line 10, "low" should read loan.

My remarks should say:

"Mr. ZWACH. I thank the gentleman from Wisconsin.

"Mr. Chairman, I wish also to pay tribute to the sections of the bill relating to recreation, hunting, and fishing.

"I wish to speak briefly about the grain provisions of the bill that I feel should be strengthened. I feel it is wrong to eliminate the parity concept, to fix at a designated rate the return in agriculture when freight rates, farm inputs, and taxes are continually on an escalator. I will offer an amendment that will retain the parity principle as it is in wheat. I believe also that we ought to have some bottom to the loan figure. I do not believe we ought to give to the Secretary or to any administrative official the exclusive right to peg a loan rate from zero to 90 percent of parity. The amendment I shall offer will also deal in that area.

"Third, it will deal in the area of the release prices of CCC commodities. If this legislation is implemented as contemplated, it well may result in a lower release price for stocks held by Commodity Credit."

The SPEAKER. Without objection it is so ordered.

There was no objection.

PERSONAL EXPLANATION

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, on rollcall No. 251 on August 3, 1970, I was necessarily detained in my office with constituents when the rollcall began. As a result when I reached the Chamber a few minutes later the rollcall had been concluded. I favored this legislation as my prepared remarks for the RECORD that day indicated and would have been recorded as voting "aye" save for the reason hereinabove at forth.

Langen	O'Neal, Ga.	Springer
Latta	Pettis	Staggers
Lennon	Pickle	Stanton
Lloyd	Pike	Steiger, Ariz.
Long, Md.	Pirnie	Steiger, Wis.
Lowenstein	Poage	Stephens
McCloskey	Poff	Stokes
McClure	Preyer, N.C.	Stratton
McCulloch	Price, Tex.	Stubblefield
McDade	Pryor, Ark.	Stuckey
McDonald, Mich.	Pucinski	Sullivan
McFall	Purcell	Talcott
McKneally	Quie	Taylor
McMillan	Railsback	Teague, Calif.
MacGregor	Randall	Thomson, Wis.
Mahon	Rarick	Ullman
Mailliard	Reid, Ill.	Van Deerlin
Mann	Reid, N.Y.	Vander Jagt
Marsh	Rhodes	Vanik
Martin	Rivers	Vigorito
Mathias	Roberts	Waldie
May	Robison	Wampler
Mayne	Rogers, Colo.	Watkins
Melcher	Rogers, Fla.	Watson
Michel	Roth	Watts
Mikva	Rousselot	Whalen
Miller, Calif.	Roybal	Whalley
Miller, Ohio	Ruppe	White
Mills	Ruth	Whitehurst
Minish	St Germain	Whitten
Minshall	Sandman	Widnall
Mize	Satterfield	Wiggins
Mizell	Saylor	Williams
Mollohan	Schadeberg	Wilson, Bob
Monagan	Scherle	Wilson, Charles H.
Montgomery	Scheuer	Winn
Morse	Schmitz	Wold
Morton	Schneebeli	Wolff
Mosher	Schwengel	Wyatt
Moss	Scott	Wydler
Myers	Sebelius	Wylie
Natcher	Shipley	Wyman
Nedzi	Shriver	Yates
Nelsen	Sikes	Yatron
Nichols	Skubitz	Zablocki
Nix	Slack	Zion
Obey	Smith, Calif.	Zwach
O'Hara	Smith, Iowa	
O'Konski	Smith, N.Y.	
	Snyder	

NOT VOTING—56

Anderson, Tenn.	Erlenborn	Pelly
Baring	Evins, Tenn.	Pollock
Blatnik	Fallon	Powell
Bolling	Flynt	Quillen
Brasco	Ford, William D.	Riegle
Burleson, Tex.	Gallagher	Rosenthal
Cabell	Gibbons	Rostenkowski
Carey	Gilbert	Roudebush
Casey	Gray	Ryan
Clark	Howard	Stafford
Clay	Ichord	Symington
Conyers	King	Taft
Cramer	Long, La.	Thompson, Ga.
Cunningham	Lujan	Tiernan
Daddario	Lukens	Tunney
Dawson	McCarthy	Weicker
Dent	McEwen	Wright
Diggs	Meskill	Young
Dowdy	Ottinger	

So the resolution was rejected.

Mr. ANDREWS of Alabama, Mr. FLOWERS, Mr. ANDREWS of North Dakota, Mr. COWGER, Mr. FINDLEY, and Mr. CULVER changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR OPERATION OF SELECT COMMITTEE ON SMALL BUSINESS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91–1379) on the resolution (H. Res. 1145) providing funds for the operation of the Select Committee on Small Business, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 1145

Resolved, That the further expenses of conducting the study and investigation authorized by H. Res. 66 of the Ninety-first Congress, incurred by the select committee appointed to study and investigate the problems of small business, not to exceed $50,000 in addition to the unexpended balance of any sum heretofore made available for conducting such study and investigation, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Small Business shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. HAYS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF "EDUCATON IN ISRAEL" FOR USE OF SELECT SUBCOMMITTEE ON EDUCATION

Mr. HAYS. Mr. Speaker, by direction of the Committee on Rules, I submit a privileged report (Rept. No. 91–1380) on the concurrent resolution (H. Con. Res. 679) authorizing the printing of additional copies of "Education in Israel" for use of the Select Subcommtitee on Education, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. CON. RES. 679

Resolved by the House of Representatives (the Senate concurring), That there shall be printed concurrently, ten thousand additional copies of the report of the Select Subcommittee on Education entitled "Education in Israel" for the use of the Select Subcommittee on Education.

With the following committee amendment:

On page 1, line 2, strike out the words "printed concurrently," and insert in lieu thereof the word "reprinted."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SIXTH ANNUAL REPORT ON STATUS OF NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 91–372)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interior and Insular Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress the Sixth Annual Report on the Status of the National Wilderness Preservation System, and to affirm this Administration's intent to pursue the objectives of the National Wilderness Act aggressively in the coming months.

Wilderness is a magnificant part of the American heritage. The wilderness that witnessed the nation's birth no longer spreads from one ocean to the other, but neither has it all been tamed. Many of these untamed lands, majestic reminders of primeval America, have been reserved and now comprise the National Wilderness Preservation System. We must do more now to preserve additional areas of this priceless national heritage.

During 1969, I signed into law the addition of two new units to the National Wilderness Preservation System. However, I am convinced that in the past we have moved too slowly, in both the executive and the legislative branches, towards the goal of completion of our national wilderness system.

I have asked that the Secretaries of Agriculture and the Interior begin immediately to augment their efforts in the study of possible wilderness areas, as directed by the Act, and to accelerate the study schedules which they have been following. I have asked them to review their needs for additional resources and will ask the Congress for any additional funding which may be needed to make this new wilderness effort possible.

On the legislative side, the Congress now has before it twenty wilderness proposals transmitted by the previous Administration and endorsed by this Administration. Early action on these measures would represent the quickest way to expand our wilderness system. Therefore, I urge the Congress to give speedy and favorable consideration to as many of these proposals as possible at this session of the Congress.

I look forward to the next annual report on the wilderness system, confident that I will be able to report substantial and encouraging progress on both the study and the enactment of wilderness proposals. I cannot stress too strongly my conviction that we must push vigorously ahead to preserve for future generations the opportunity to enjoy the singular encounter with nature which only wilderness can provide.

RICHARD NIXON.

THE WHITE HOUSE, *August 5, 1970.*

TWENTY-FIRST SEMIANNUAL REPORT OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations:

To the Congress of the United States:

Transmitted herewith is the Twenty-first Semiannual Report of the National Aeronautics and Space Administration.

RICHARD NIXON.

THE WHITE HOUSE, *August 5, 1970.*

AGRICULTURAL ACT OF 1970

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Chair requests the gentleman from Illinois, Mr. PRICE, to temporarily assume the chair.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for further consideration of the bill H.R. 18546, with Mr. PRICE of Illinois (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee rose on yesterday the Clerk had read the committee amendment, beginning on page 1, line 5, and ending on page 2, line 24.

Mr. POAGE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have spent considerably more time on the preliminaries than had been anticipated. I believe, therefore, it is fair to tell the House that it is the intention of those charged with handling this bill to try to complete work tonight, no matter how long we go.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. I should like to indicate my full support for the statement made by the gentleman from Texas, that we ought to finish this bill today.

Mr. POAGE. I appreciate the gentleman's statement. While I do not see the majority leader at present, it is my understanding he concurs in that viewpoint.

In order to do that, I would call attention to the fact that we are now entering on a discussion of a most important amendment. I believe we should have adequate time to discuss this amendment.

However, it would be my purpose when it has become evident that there has been a reasonable discussion of it to ask unanimous consent that we fix a time. I will not do that for some time to come, but I do expect to do it at a proper time, and I want the House to understand we are going to try to bring this thing to an end rather than let this run interminably.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am glad to yield to the gentleman.

Mr. HALL. I believe the gentleman knows that I have an amendment in the nature of a substitute that I would like to offer for explanatory purposes.

Mr. POAGE. Yes.

Mr. HALL. I thoroughly concur in the plans the gentleman and the majority and minority leaders have just expressed. I do not intend to take a lot of time with my amendment, nor to press it unduly, but I do want time to present it. I would like to ask the distinguished chairman of the Committee on Agriculture if he would prefer that that be offered when recognized under the first title, or at the conclusion of the Clerk's reading of all the bill by title, which the gentleman from Missouri would prefer; although I do not want to be caught in a forced limitation of time.

Mr. POAGE. It would be perfectly satisfactory to me either way, but if I may suggest, it seems to me it is always wise to offer such a substitute first rather than last, because if you wait until the last, everybody will be anxious to quit this place and you will get no consideration of it at that time.

Mr. HALL. I thank the gentleman for this opinion—"A word to the wise is sufficient."

Mr. POAGE. As to the matter of limitations, Mr. Chairman, I think this is the crux of this bill. This is the one point on which there is a substantial difference, but it could cause a breakdown in the whole bill. The entire idea of limitations is based on an erroneous theory of what we are limiting. What are you limiting? They say that we are going to limit the amount of money which one man can get. What are you limiting? You are actually limiting the payments to any one individual who is participating in the program. We want these people to participate in the program. The whole success of the program is based on participation. There will not be any compulsory requirement for balancing supply and demand under this bill. The only way that you can get a balance between supply and demand under this bill is through widespread participation in the program.

Now, if we want a bill and if we want it to work, we want participation, and we want it from everybody. It does not make any difference, really, whether it comes from a large man or a small man. The result is just the same whether you take the water out of the bunghole or out out of the spigot. It reduces the amount in the barrel by just the same amount.

Do we really want the large producers to participate? That is the question. The Secretary says that he wants them to participate, and I think we all want them to participate. Unless there is reasonable participation, as a matter of fact, none of these programs will work and you will be wasting about $3.5 billion.

I just want to call the attention of the House to the fact that you did what I thought was wise just a few minutes ago and saved $4,000, and I was one who voted against that resolution. However, let us try to save $3 billion or $4 billion here. That is what is involved. It is between $3 billion and $4 billion. If you waste it by making the program ineffectual, you had better not spend it. Your program cannot be effective if you are going to try to drive all of those large growers in the United States out of the program, because then they will be producing too much of those commodities that are in surplus such as wheat and feed grains and will not be producing enough of those commodities that are in short supply like cotton.

You will simply not have that balance which the Secretary is attempting to achieve in this bill. All of the argument that we should reduce these payments is based on the assumption that we are giving them something. These payments, as a matter of fact, have not been so high and they will not be so high under this bill as to be very attractive to a great many people.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. POAGE was allowed to proceed for 3 additional minutes.)

Mr. POAGE. I have a statement from the Department of Agriculture pointing out that during the calendar year 1968, which is the last year for which we have all of the figures, of the large growers of cotton in the United States only 50 percent, only 50 percent, took advantage of all of the retirement payments which they could have received had they participated to the extent they had a right to do.

In other words, they did not put in as much land as they could have put in and received payment for it. If they had thought it was a profitable deal, if they had thought the payments under this program was entirely profit, if they thought it was a giveaway, would they not have taken the additional money? But they felt—at least half of them felt—that it was not worth while to participate to the full extent, and they did not—and these are the figures of the Department of Agriculture, and any of you can come up here and look at them if you wish to.

Wheat growers were even less interested. Of wheat growers 85 percent did not take the maximum.

Now, on feed grains it is true that there were only 27 percent who failed to take the maximum, so on feed grains a large portion of them did participate.

It seems to me that indicates very clearly that those people were not getting something given to them, they were getting a payment that might or might

not recompense them for the loss which they would sustain in joining with their neighbors in balancing our supply and demand. And that is what this whole bill attempts to do—is to balance supply and demand.

To propose a limitation of anything lower than $55,000 would, according to the Secretary of Agriculture, jeopardize the chances of bringing about that balance.

Now we have given all Members a chance to vote on a $55,000 limitation so that any man or woman who feels that he or she must vote for limitations has that opportunity now. We have offered the opportunity to place a limit of $55,000, which we hope we can live with. We cannot, as the Secretary says, and as the President says, effectively live with something less than that. So we provide the way here, where all of you who feel you must vote for a limitation will have an opportunity of voting directly for a limitation. But now in voting for limitations do not destroy the bill by going so far with this demand for limitations that you make the bill ineffective. I plead with you to adopt the $55,000 limitation rather than something lower.

AMENDMENT OFFERED BY MR. LOWENSTEIN TO THE COMMITTEE AMENDMENT

Mr. LOWENSTEIN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LOWENSTEIN to the committee amendment: On page 2, line 3 strike "$55,000" and insert in lieu thereof "$10,000."

[Mr. LOWENSTEIN addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

SUBSTITUTE AMENDMENT OFFERED BY MR. FINDLEY TO THE COMMITTEE AMENDMENT

Mr. FINDLEY. Mr. Chairman, I offer an amendment in the nature of a substitute for the committee amendment.

The Clerk read as follows:

Page 1, beginning on line 5 and continuing through the end of page 2; strike the Committee Amendment and insert in lieu thereof the following:

"TITLE I, PAYMENT LIMITATION

"SEC. 101. Notwithstanding any other provision of law—

"(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by Titles III, IV, V, and VI of this Act for the 1971, 1972 or 1973 crop of the commodity shall not exceed $20,000.

"(2) The term 'payments' as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

"(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

"(4) The Secretary shall issue regulations defining the term 'person' and prescribing such rules and further limitations as he determines necessary to assure a fair and reasonable application of such limitation and to prevent the circumvention or evasion of such limitation, whether the circumvention or evasion be attempted by means of the subdivision of farms, production allotments or bases thereof through sale or lease, or by other means; *Provided*, That the provisions of this Act which limit payments to any person shall be applicable to lands owned and operated by states, political subdivisions, or agencies thereof."

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, I urge acceptance of my substitute amendment instead of the amendment offered by the gentleman from New York (Mr. LOWENSTEIN) for several reasons.

First of all, the Lowenstein amendment fails to remedy weak language in the committee amendment dealing with the problem of evasion or circumvention, also known as slippage, and it also leaves the exemption in the committee amendment to State and public agencies. Under the Lowenstein amendment, a government agency such as the Arkansas Prison Farm, for example, could continue to get large sums of money each year in excess of the limitation figure.

The second reason that I urge for my substitute instead of the lower figure recommended by the gentleman from New York (Mr. LOWENSTEIN), is that the Lowenstein amendment is at the level of $10,000 per commodity, and while this is very appealing for a number of reasons, I feel that the middle, moderate position represented by my substitute at $20,000 is far to be preferred.

Members on my side of the aisle may recall having heard about the letter from President Nixon cautioning against a limitation that is too low. I feel, myself, that the figure presented in the amendment offered by the gentleman from New York (Mr. LOWENSTEIN) at this time is in that category. At the same time, the $20,000 level has been thoroughly researched in studies. It has been the subject of a great many surveys of constituent opinion as well as surveys of more general public opinion by various periodicals. The impact of the limitation at $10,000 and the public reaction to this impact, therefore, has not been measured.

As I mentioned yesterday, my substitute is actually a bipartisan joint product. It could just as well have been offered by several other Members of the House, and especially by my colleague, the gentleman from Massachusetts (Mr. CONTE) as well as by a number of Democrats who, through the years, have been urging a limitation on payments.

This substitute does include tight language to prevent the evasion of the limit. It puts State and public agencies under the same limit as farmers and it is backed by carefully prepared, carefully drafted, thoroughly tested draft regulations, and this, I feel, is a vitally important item. If Members will turn to today's RECORD on page H7687, they will find therein an insertion by the gentleman from Massachusetts (Mr. CONTE) which includes the draft regulations that we worked out together in consultation with various officials in the U.S. Government, as well as the Library of Congress.

How does the $20,000 figure compare with the committee amendment at $55,000?

First, the $20,000 level will save a lot more money. The committee amendment, assuming no evasion whatever, will cut the program cost by only $50 million. Of course, there will be evasion because there is not tight language in the committee amendment to deal with that problem.

But the Findley-Conte substitute, if we wish to refer to it that way, by the most conservative estimate would save $171 million. I assume that all Members have before them, if they wish, the text of this substitute amendment, because it was placed in the RECORD yesterday. The text of it has been freely circulated around for some time.

I might say that the $171 million saved by means of the substitute amendment would be available for pressing constructive needs. I believe we are all aware of the pressures on the Federal budget at almost every point. This would free $171 million for such purposes.

Second, I should like to make the point that it is not a fair assumption to state, as the gentleman from Texas did, that this would necessarily force out the big producers. In fact, the Under Secretary of Agriculture under Orville Freeman stated that a limitation of this sort would not interfere with the effective operation of these commodity programs.

The CHAIRMAN pro tempore (Mr. SMITH of Iowa). The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. FINDLEY was allowed to proceed for 5 additional minutes.)

Mr. FINDLEY. Mr. Chairman, John Schnittker, Under Secretary of Agriculture under President Johnson and previous to that under President Kennedy, initiated a study of payment limitations. In November, 1968 the results were published. They made it very plain that limitations at this level would not hurt the programs.

The farmers who would be affected would have a choice to continue to plant, as they had before, or to cut back in the planting, but I do not believe it would be a fair assumption to say the farmer would be forced out of the program or indeed would get out. I believe most of them would plant the same amount of cotton as they had in the past.

Third, a very important aspect of this substitute amendment is that it would help to improve public acceptance of farm programs. Big payments at the $55,000 a year level to giant farm operations tend to give farm programs a bad name. Under my substitute amendment payments of this size would be a thing of the past. Management decisions of commercial farms would be geared more than at present to the market and less to Government porgrams.

Fourth, the limit at $20,000 is a level that is clearly without any question acceptable to the executive branch. The

President's letter of yesterday to the gentleman from Oklahoma (Mr. BELCHER) while stating a preference for the $55,000 level, certainly did not exclude acceptance of the $20,000 level.

It is interesting to read in the committee report Secretary Hardin's letter to Mr. POAGE stating:

Whatever limitation of payment is supported by your Committee up to $55,000 per crop will be supported by me.

I understand, now that the committee has fixed the limitation at $55,000 in their recommendation, why Secretary Hardin would see fit to bind himself to that level, but prior to that binding he did say he would support any limitation up to $55,000.

The $20,000 limit I feel is an idea whose time has come. Dozens of Congressmen have surveyed their districts. They have found it popular among city people and among rural areas alike.

Progressive Farmer, a magazine that circulates entirely in the land of cotton, took a survey last year and found that 71 percent of the farmers responding to the survey favored a limitation on payments and by far the preferred level was below $20,000 a year.

Newspapers of all sizes all over the country have called for the $20,000 limit.

The Senate has now accepted this level. Will the House sustain its position taken on three prior occasions on record votes, or will it do otherwise? Will it use the convenience of the teller vote to duck the issue and reject the amendment that it has supported on three previous occasions? I think to do so would be disgraceful. It would make the House appear to bend to pressure by big cotton interests and use the shelter of nonrecorded teller votes to duck proper responsibility.

Mr. Chairman, there is talk about whether or not farm program payments are welfare or something else. Well, welfare is not the best word to use, but the income that farmers get from the marketplace must be distinguished from Government payments. No matter how you dress it up, Government payments are personal income support. They can be justified only to the extent that they help farmers as people and as the heads of families. That is why a payment limitation is sound social policy and why a $20,000 limit makes a lot more sense than one of $55,000.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman. Yes.

Mr. WAGGONNER. I thank the gentleman for yielding.

I am quite interested in his closing remarks. He made many arguments to justify reducing the limitation payment from $55,000 to $20,000 and completed his statement by saying that to do so would be sound social policy. I thought we were concerned here with a farm bill and something good for the agriculture industry. I did not know we were legislating in a social way here today.

Mr. FINDLEY. I will say to the gentleman that whenever the U.S. Government spends dollars extracted at great pain from the taxpayers it should see to it that those dollars are spent on appropriate social objectives.

Mr. WAGGONNER. Will the gentleman answer one question: Is the purpose of this bill to provide sound agricultural legislation or social legislation?

Mr. FINDLEY. It is to help the farmers that need help.

Mr. WAGGONNER. Then, he is wrong about it being sound socially.

Mrs. MAY. Mr. Chairman, I rise in opposition to the amendment.

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, the gentleman from Illinois has just made reference to the fact that he wants this program administered in such a way that it will have good social results. I certainly cannot disagree with that statement. I intend to confine my remarks against the gentleman's amendment to just one area, since the other arguments on the payment limitations level have been and will continue to be well expressed.

I would call your attention to the fact that in the committee bill, when we provided for $55,000 payment limitation, the committee included language in section 101 to exempt States and political subdivisions of the States from these payment limitations. This was done to permit public bodies in various States owning farmland to continue to serve State and local taxpayers. In so doing the committee did not intend and it does not intend that State agencies be used during the life of this act as a subterfuge by individuals subject to payment limitations or to avoid or to reduce these limitations.

I would point out under the amendment offered by the gentleman from Illinois this exemption is not included. The money that is now going to schools, prisons, State hospitals, and other public institutions in many States would not be exempt from this ceiling payment limitation.

In my own State of Washington where the money has been earmarked traditionally for our schools, the losses there would be very considerable, hundreds of thousands of dollars, that would have to be picked up by the taxpayers. There are many other States that would be severely hurt by the fact that this exemption from limitation has not been provided for in the amendment offered by the gentleman from Illinois (Mr. FINDLEY) on limitation. But it is provided for in the committee amendment.

For this reason, as well as many others expressed by my fellow members on the Committee on Agriculture, I am in opposition to the $20,000 limitation amendment, and I will support the $55,000 committee amendment limitation.

THE PENDING FARM BILL

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment, and I move to strike the requisite number of words.

Mr. Chairman, this is a critical moment in the consideration of this legislation, and in my judgment it is a critical moment in the history of agriculture.

THE 1965 FARM ACT

This is the fifth year of the program that began as a result of the Farm Act of 1965. In 1965 Congress passed a bill which pulled the rug out from under the market price of certain farm crops, and set up a system of direct payments to farmers to bridge the gap between market price and the cost of production.

Now, that was a decision of the Congress. It was not necessarily a decision of the farmers.

As a result of the 1965 act—which has operated with some considerable success—the market and loan price of cotton was cut from about 30 cents per pound to about 22 cents or less. I am speaking in general terms as the value of cotton varies as a result of differences in staple length and quality.

The direct payment to farmers was set up by Congress to help cover the cost of production and make room for a possible profit. There was no guarantee of a profit but the system made allowance for a possible profit.

I considered the direct payment system to be extremely dangerous and it was largely because of this dangerous innovation that I voted against the 1965 act.

OPPOSITION TO PAYMENT LIMITATION

It is now being proposed in the amendment that a $20,000 limitation be put on the payment to the farmer on any crop.

This would force the larger producers who do the principal job of providing food and fiber to consumers at a minimum price to do one of two things.

First, the large producer could stay out of the program and produce to the full extent of his capability. This would inundate, this would engulf the small producer, causing a drastic reduction in his allotment because of the overproduction of the larger producer who was no longer in the program. It would put the smaller producer out of business, or it would require an increase in the government payment to an extent that would be impractical.

On the other hand, if the larger producer decided not to increase his production of his customary crop, he would go into other fields of crop production.

And you may be sure that he will do one of these two things because he has the land, he has the equipment, and he has an investment of many thousands of dollars.

If he shifts to other crops, and remember that this is a big producer with a lot of land, this would violently disrupt the markets of producers of other crops. This would create an imbalance which would be highly damaging to farmers generally, especially the small farmer. Is that not obvious?

And it would be damaging to consumers who would now be confronted with chaotic conditions in the supply of agricultural products.

UPSETTING THE BALANCE OF AGRICULTURE

Today it is popular, indeed necessary, to talk about the environment, to talk about ecology. We do not want to see the balance of nature upset. We are told, and correctly so, that this threatens our very survival. We are warned of the dire consequences of disturbing the delicate balance of nature.

What then are the proponents of this amendment undertaking to do? What would be the result of their effort?

Under the payment limitation as provided in the amendment, a tremendous imbalance in agriculture would occur. Millions of acres are involved and this payment limitation amendment would have a devastating impact on the finely tuned balance of American agriculture. Do not forget that American agriculture has done a tremendous job in meeting our requirements both at home and abroad and in keeping us at the top in a field where it is essential that we stay on top.

To create an imbalance in agriculture by a deliberate action of the Congress would be intolerable, inexcusable, and unacceptable. It would bring chaos in farm-related industry and labor involving billions of dollars as well as millions of workers.

No Member is detached from this program just because he lives in the heart of a great city. Every Member is heavily involved in what would happen as a result of this amendment and he cannot afford to see an imbalance created which would jeopardize his constituents and the industry, the labor and the consumers which he represents.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MAHON) has expired.

(Mr. MAHON asked and was granted permission to proceed for 4 additional minutes.)

Mr. MAHON. Mr. Chairman, this is a broad aspect upon which we must cast our votes on this issue today. Yes, such an amendment creating this imbalance and bringing forward this chaos would jeopardize the security of the consumer who has through all of these years had the benefit of an assured supply of quality products for which the producer himself has been paid a very minimum price.

The small farmer who gets $1,000 in a direct payment is not assured of a $1,000 profit. The large producer who, let us say, gets $100,000 in a direct payment is not assured of a $100,000 profit. Indeed, neither the small producer nor the large producer is assured of any profit at all.

The object of the Government payment is to assist the producer in meeting the cost of production and hopefully in making some kind of profit if market conditions and weather conditions and other conditions are favorable. But in so many cases conditions are unfavorable and people are not able to hold their own in agriculture. There are many instances of great adversity and so we have failures and bankruptcies. We must not place further impediments in the way of successful agricultural enterprise.

Mr. Chairman, this Nation which depends so heavily on agriculture for power at home and abroad cannot afford to create an imbalance in agriculture which would in turn tend to destroy the greatest agricultural machine in the world—a machine which has meant so much to America in time of war and in time of peace.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I am glad to yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Appropos of the gentleman's comments on profits, I would like to call to the attention of my colleagues a situation involving an average farm in eastern Colorado. In 1968 a farmer received approximately $17,000 in payments from the U.S. Government. On his tax return that year he showed a net income of $2,400. I asked him how he lived, and he said, "Off depreciation." This man has been farming wheat for 40 years.

Mr. MAHON. My friend makes a good point. What we are combating today is not what I would call a lack of interest; it is misunderstanding, misconception. What we are combating today is action which would tend to disrupt the finely tuned machine of agriculture. We do not want to slow this machine down. We do not want to destroy it. It is essential to our security and our success in the future and in all the major efforts of this country to do all the things we want to do for the poor, the weak, and citizens generally that we underpin our economy with a successful agricultural machine. We have it today. Let us keep it.

Mr. Chairman, under leave to extend my remarks, I am taking the liberty of quoting from remarks which I made in the House on yesterday:

> Mr. Chairman, the new farm bill now before the House is a compromise of many views. I think it is fair to say that generally speaking the pending bill is not enthusiastically supported by rank and file farmers and farm organizations. A major problem is that the current farm law expires at the end of this year and Congress and the administration are under heavy responsibility to come forward with farm legislation.
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> We are indeed confronted in the field of agriculture with very serious problems. I regret to say that I am fearful that we have seen the best farm programs that we will ever see. But, I would hope that we have not come to the end of farm programs which with all their faults and shortcomings, have been helpful in enabling the producers to do an outstanding job for the consumers.
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> I know that there are those who will speak, and there are those who have spoken today in favor of drastic payment limitation amendments. Mr. Chairman I want to reassert my unalterable opposition to payment limitations on farm programs. One of the reasons why the programs of the past, with all their faults, have been workable has been that they have operated with the objective of fairness to producers in all parts of the nation and to the big and the little producer alike.

I am certainly not enthusiastic about this bill. I would much prefer a continuation of the farm law substantially in its present form but the Committee on Agriculture has found it impossible to agree on this course of action. The debate on the bill before us indicates that beyond a doubt there is no remote possibility of continuing substantially the farm program which we now have.

Under these circumstances, the problem is to get the best bill that we can. It is better to have something than nothing. And it is with that thought in mind that I expect to vote for his bill if the $20,000 limitation is not imposed.

OPPOSITION TO PAYMENT LIMITATION

I want to make it clear again that I oppose all payment limitations, but between the $55,000 limitation and the $20,000 limitation, I would support the higher amount. If there is to be a limitation I would prefer one higher than the $55,000. I do recognize the reality that a majority of the Members of the House favor a limitation on farm payments.

It is regrettable, Mr. Chairman, that it is never possible to secure perfect legislation. It is regrettable that Members are compelled to either vote for nothing by way of legislation or to vote for something which contains certain provisions which are objectionable.

American agriculture, I say again, is of vital importance to this country and it seems to me imperative that the House take affirmative action today and send to the other body a bill upon which the other body can work its will.

I would hope that in the other body the limitation would be eliminated or raised It must be recognized that the future course of this legislation is unpredictable. Each Member of the House will have a further opportunity to vote again on the new farm program in the form of a conference report before it can be enacted into law.

We cannot tolerate the possibility of eliminating all farm legislation and we who believe in the necessity of some sort of farm legislation, imperfect as it may be, will find it necessary to move this bill into the other body for consideration there.

Mr. MAYNE. Mr. Chairman, I rise in support of the Findley amendment.

The CHAIRMAN pro tempore. The gentleman from Iowa is recognized.

Mr. MAYNE. Mr. Chairman, I rise in support of the $20,000 per crop limitation amendment offered by the gentleman from Illinois (Mr. FINDLEY). I have voted for a $20,000 limitation on payments the last three times the issue has been presented to the House and believe I am one of only three members of the House Committee on Agriculture to do so. I certainly want to commend those of my colleagues on the committee who are now with the committee amendment supporting a limitation in any amount for the first time. The committee amendment proposing as it does a limitation of $55,000 per crop is a great improvement over no limitation at all. It will eliminate the most flagrant abuses of the 1965 act, individual payments running into millions of dollars apiece for corporate farms and other large farming units. But while a limitation of $55,000 is certainly a step in the right direction, it does not in my considered opinion go far enough. I believe the need for the lower limitation of $20,000 voted by this House on two previous occasions has been even more conclusively demonstrated since those earlier votes, and there is a stronger case for the $20,000 limit now than there was when it was passed by record votes of 230 to 160 on July 31, 1968, and 224 to 142 on May 27, 1969. I am, therefore, again supporting the $20,000 per crop amendment offered by the gentleman from Illinois (Mr. FINDLEY) and cosponsored by the gentleman from Massachusetts (Mr. CONTE).

One of the principal reasons for ending huge payments is that they tend to

throw a shadow on all payments to farmers, no matter how necessary and legitimate, thereby discrediting the entire farm program and jeopardizing its continuance. The taxpayers of this country rightfuly resent tax funds being drained off in individual payments of hundreds of thousands, even millions of dollars, and part of this resentment is unfairly rubbing off on the small and moderate-sized farmers for whom this program was originally intended. These large payments are jeopardizing the very existence of the entire farm program, and must be eliminated now if the program is to command sufficient public support for continuance on a reasonable basis. As I warned in this Chamber in May of 1969, annual payments of more than $20,000 are hurting, not helping the family farmer. They are subsidizing the gigantic agricultural combines, corporate and otherwise, which have been gobbling up family sized farms and driving farmers from the land by the hundreds of thousands. I said then and I repeat now that we should not be misled by the arguments that payments of over $20,000 are helping small- or medium-sized farmers in any way.

Large payments are accelerating the growth of larger and larger farm units whose owners are encouraged to acquire more and more of their neighbor's land though the use of huge subsidies. Government checks are being used as the down payment to buy up family sized farms with more and more farm families being driven from the land. Many of them then move to great cities where they are ill equipped to make the necessary adjustments to the complexities of urban life.

Escalating Government payments are not the only reason for this alarming trend but they are certainly a contributing factor. Fewer and fewer farmers have been receiving larger and larger payments, which certainly subverts the intention of most Congressmen who voted for the 1965 act. The independent family farmer finds himself caught in a vicious cost-price squeeze and in increasing danger of being cannibalized by corporate and other farming combinations subsidized by big payments.

The urgent need to put the brakes on the ascending spiral toward bigger payments is painfully evident in my own State of Iowa. USDA figures show that the number of Iowa payees receiving more than $20,000 in feed grain payments rose from only 12 in 1967 to 110 in 1969. That is more than ninefold in 2 years. Nationwide the increase was even more dramatic—from 80 in 1967 to 1,450 in 1969. The vast majority of Iowans, farmers and nonfarmers alike, deplore these large payments whether they occur in Iowa or elsewhere in the country and want them stopped. A statewide poll taken by the Des Moines Register in May of this year showed 3 out of 4 Iowa farmers favoring a limitation of payments. The average annual limit suggested by these farmers was about $11,000. Only 3 percent suggested a limit of $25,000 or higher.

I am convinced after considering all available surveys on the subject that a $20,000 limitation will not have any adverse effect on the feed grain program, but will in fact strengthen it. Probably the best known study on this subject was that made by Under Secretary of Agriculture John A. Schnittker at the close of the last administration. This was kept secret during Secretary Orville Freeman's tenure at the Agriculture Department and not made public until the spring of 1969, after both Mr. Freeman and Dr. Schnittker had left the Department. The conclusion of the Schnittker report was as follows:

> Payments to producers under existing price support and acreage control programs for feed grains, wheat, cotton, wool, and sugar could be limited to around $20,000 per farm for all payments, or to $10,000 per program without serious adverse effects on production or on the effectiveness of production adjustment programs.

The study further concluded that such a limitation would result in a budget savings ranging from $200 to nearly $300 million.

A second study was undertaken by Horace D. Godfrey while Administrator of the ASCS within the Department of Agriculture under the Johnson Administration. Godfrey likewise concluded:

> Feed grain production would not be expected to increase materially under a $20,000 limitation.

His study based on 1967 data revealed that payees receiving over $20,000 in feed grain payments farmed 800,000 corn base acres, or only about 2 percent of the feed grain base.

Other studies have reached similar conclusions. Arnold Paulsen, a professor of agricultural economics from Iowa State University, in the December issue of the American Journal of Agricultural Economics stated:

> The U.S. Department of Agriculture could administer effectively and achieve the intent of any one of several forms of payment limitations.

On the best evidence available, it appears that payees receiving more than $20,000 are farming only about 2 percent of feed grain base acres. I believe we should immediately end all subsidization over $20,000 of this very small percentage of large operators. This will strengthen and redirect the farm program so that it can better serve the great majority of American farmers and the consuming public. I therefore urge all Members to vote in favor of the $20,000 limitation amendment.

(Mr. MAYNE asked and was given permission to revise and extend his remarks.)

AMENDMENT OFFERED BY MR. JACOBS TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. FINDLEY FOR THE COMMITTEE AMENDMENT

Mr. JACOBS. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Illinois (Mr. FINDLEY) for the committee amendment.

The Clerk read as follows:

SEC. 101 of the substitute amendment. Strike subsection (1) and insert in lieu thereof:

"(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles III, IV, V, and VI of this act shall not exceed $20,000 for the 1971 crop, $10,000 for the 1972 crop, or $0.00 for the 1973 crop."

Mr. JACOBS. Mr. Chairman, when I was growing up in my hometown of Indianapolis, there was a small grocery store just off the corner of 49th and College. It was called Ford's Family Market. Indeed it was a small family grocery store. Many years ago that store went out of business, and now, just three blocks to the south, on 46th and College, there is a large supermarket.

And speaking of Ford's, there was a time in my hometown in Indianapolis when there was a large number of manufacturers of automobiles.

They no longer manufacture automobiles, because bigness came to America, and bigness came to my hometown.

I remember sitting in that gallery in 1949 and listening to my father speak to this body, and suggest, in 1949, that sooner or later the U.S. Government was going to have to start weaning the farm program in this country.

Mine is a weaning proposal. The limitation in payments for the crop of 1971 to $20,000, and then for the crop in 1972 to $10,000, and then for the crop in 1973 to zero dollars. It seems to me quite appropriate that we do some weaning before our 200th birthday in 1976. That way, by 1976 we can be all grown up.

I urge the adoption of an amendment to the substitute amendment.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I believe as an absolute fact that if what the gentleman proposes is agreed to there will not be many farmers in this country to supply the supermarket in his hometown, in which he takes so much pride, because with money being what it is today, and without a Federal program, there will not be any financing for farmers to grow the produce to supply the food and fiber needed for this country.

Mr. JACOBS. I thank the gentleman for his contribution. He is entitled to his theory.

They say, "If you want to find out what the cowboy will do when he gets drunk, find out what he did the last time he got drunk."

The last time we did not have subsidies to small family groceries in this country what happened was that we had giant chain supermarkets develop. The gentleman shops at them, and I shop at them.

The last time we did not have subsidies to those who were manufacturing the old Marmon automobiles and the Stuttz Bearcat and all the others, the automobile industry did not go out of business, but they started producing automobiles at a price even I can afford.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield further?

Mr. JACOBS. I yield to the gentleman.

Mr. WAGGONNER. In sum and substance, what the gentleman is saying is that the big supermarkets are OK but the farmers who follow the same procedure are unacceptable; is that it?

Mr. JACOBS. What is wrong with big farmers?

Mr. WAGGONNER. I thought this was the effort. I thought this was the hue and cry, to do something about the big farmers.

Mr. JACOBS. The gentleman apparently is mistaken, if he thought that was my effort. I do not have any objection to Ford, General Motors, American Motors, or the big companies. I have no objection to the A. & P. I have no objection to the Standard grocery chain.

I do want the antitrust law, to be sure they do not narrow down to one.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield further?

Mr. JACOBS. I yield further.

Mr. WAGGONNER. Will the gentleman answer a question? Who requires assistance and financing on the farm today first, the big farmers which some people are critical of, the people like General Motors, or the little man, the farmer who is at the mercy of the marketplace?

Mr. JACOBS. The answer to the gentleman's question is in my best judgment nobody "requires" that Federal assistance. That is the reason why I have offered this weaning amendment.

Mr. LOWENSTEIN. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from New York.

Mr. LOWENSTEIN. I have trouble accepting the gentleman's view on this matter. We provide for minimum wages, we subsidize publications, we use antitrust laws to help small business. We give assistance of one sort or another to all sectors of the economy so people will not have to live below certain minimal levels.

Mr. JACOBS. Who provides the minimum wages?

Mr. LOWENSTEIN. We have laws requiring payment of minimum wages for most workers. In fact, I favor raising floors and expanding the scope of the coverage.

Mr. JACOBS. Do we appropriate money to pay somebody those minimum wages?

Mr. LOWENSTEIN. The formulas to help people achieve a decent standard of living vary with different sectors of the economy. We provide food for some of the people who are hungry. We provide money for people thrown out of work, for people too old or too young to work—not enough money in many cases, but the principle is clear.

Mr. JACOBS. Let me ask the gentleman a question. For the people for whom food is provided, under welfare programs and so forth, on what basis is it provided?

Mr. LOWENSTEIN. On the basis of need.

Mr. JACOBS. The need is because they cannot get work. Does not a person have to prove he cannot get work before he can receive those payments?

Mr. LOWENSTEIN. Not always.

Mr. JACOBS. He does not?

Mr. LOWENSTEIN. There are various programs. Sometimes we even say, "If you cannot earn enough you will be given subsidies." That is generally considered an enlightened view of the obligation of a wealthy, civilized society.

Mr. JACOBS. A person "needs" to pay the rent. But a person does not "need" to farm if it is not economic.

The CHAIRMAN pro tempore. The time of the gentleman from Indiana has expired.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent to proceed for an additional 3 minutes.

Mr. POAGE. Mr. Chairman, reserving the right to object—and I am not going to object to the gentleman's request—I do want to serve notice that we are going to have to move along. I simply want to suggest that we have been very liberal, and we do not want to make every one of these a 10-minute speech. If we do, we will be here until 12 o'clock tonight.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Chairman, I simply make the point that in my district if somebody is put out of work because of the economy, a fellow earning $140 a week last week and this week he is out of work, then I know of no subsidy program, other than the unemployment insurance program, which will assist him. If the gentleman wants to speak about unemployment insurance as applied to the farm problem, he might have a point.

Mr. LOWENSTEIN. What I do not understand is why the gentleman from Indiana thinks it is preferable to provide unemployment insurance than to help people to work for a living wage, even if they want to work on farms. We should be greatly relieved that some people prefer to work on farms.

Mr. JACOBS. It works in different ways. We have kept people at work who were in the small grocery stores, who were in the small automobile manufacturers in my hometown, and who were in small drugstores doing something useful. I thought the free enterprise system rewarded efficiency. Quite often bigness does achieve efficiency. However, I do not see how we can shovel back the tide in the country by a subsidy program, because it obviously has not worked. I heard the gentleman himself say in the well a few moments ago that it is not retarding bigness in the farm industry. It continues to march on.

Mr. LOWENSTEIN. That is because this kind of legislation encourages bigness, even rewards it, at the expense of everyone else. How can anyone say that it helps small farmers for us to appropriate enormous subsidies to large farmers? I want to stress that my amendment is the reverse of an effort to undercut small farmers. It is an effort to help them. I think they are important to the country, and my argument is not with them.

Is it the gentleman's position that it is in the interests of the United States to have no small farmers? Otherwise, I cannot understand his reasoning.

Mr. JACOBS. I do not know whether it is in the interests of this country to just have General Motors, Ford, Chrysler, and American Motors, and whatever. But I know it is inevitable and I recognize a reality. That is exactly what made this country great. We are kidding ourselves if we think differently. Perhaps this is not the case in other countries, but I recognize reality here, and I call for antitrust laws and for the regulation of bigness. But I do know that bigness is here and you will not shovel back the tide of bigness with a shovel full of Federal dollars.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman.

Mr. WAGGONNER. Mr. Chairman, I do not have any idea as to what the nature of the contracting business is of the gentleman's relative in the construction business, but just for example—should he be in the home construction business, I do not think the gentleman would stand there and say, if he is in the home construction business—I do not believe he would say that they do not benefit from the housing subsidies that the Government provides while they are engaged in that business.

Mr. ALBERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the distinguished gentleman from Indiana made a speech which has pointed up, I think, one of the main problems before us.

First of all, we will not get rid of farm legislation by tapering off on the subsidies. We have several statutes on the books which would become operative if this particular program went out of existence. We must enact a farm bill this year; otherwise the 1958 act will become operative. This will mean that the Government will have to make huge investments in support prices that it would not have to pay under the proposal before us. It will mean bulging warehouses again with all the attendant expense to the Commodity Credit Corporation.

It would mean chaos for the taxpayers and chaos for American agriculture. We would be going back to an era that we have already passed. It would take a lot more than a simple amendment to this bill to get rid of the total agricultural legal structure on the statute books of this country.

Mr. Chairman, I believe personally that the theory of limitations is not a good one. I come from a district that is partially rural and partially industrial. The farms in my district are from small to middle sized. I do not believe there is one single farmer in my district who would draw the $55,000 payment limitation. I have been told that there are four that might draw more than $20,000, and a very few that would draw more than $10,000.

What we are trying to do in order to save American agriculture is to bring supply and demand into line, and we cannot do that if we only plug up the large holes. We must get as many farmers as possible in the program if we are going to keep agricultural prices reasonably stable in our country, and for the past several years we have kept them reasonably stable.

Had I been writing this bill I would not have put any limitation on payments because I think it is more important to the country that we bring supply and demand into line than it is that we worry about a few payments to a few individuals, even though some of the payments seem very large to us and to many of our constituents. Excessive limitation will be injurious to the consumer. They will tend to put some of our most efficient producers out of the program.

Yesterday's Wall Street Journal reported that many of the big California cotton farmers are already thinking of going into fruit and vegetables, where there is already a surplus. This is one of the problems, it seems to me, that we are going to find ourselves facing if we do not go along with the committee on this bill.

This is not a perfect bill. It certainly is not my bill, but I am going to support the committee because I believe that the agricultural programs we have had since the agricultural act of 1938 was first passed have done as much as any other laws that we have ever enacted to maintain a reasonable degree of prosperity in this country, and to keep the American consumer the best fed and best clothed person in the world at the lowest percentage of his income.

I trust that we will vote down all of these amendments to the committee amendment, and that we will pass the bill as presented to us by the great Committee on Agriculture.

Mr. CONTE. Mr. Chairman, I rise in favor of the Conte-Findley substitute amendment, and I move to strike the requisite number of words.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, at the outset I would like to read the names of the 41 cosponsors of the Conte-Findley amendment. They are as follows:

Messrs. BROCK ADAMS, EDWARD P. BOLAND, DANIEL BUTTON, JAMES C. CLEVELAND, JEFFERY COHELAN, BARBER B. CONABLE, JOHN C. CULVER, JAMES J. DELANEY, HAROLD D. DONOHUE, Mrs. FLORENCE DWYER.

Messrs. JAMES C. CORMAN, MARVIN L. ESCH, DANTE FASCELL, HAMILTON FISH, JR., DONALD M. FRASER, ROBERT N. GIAIMO, MICHAEL HARRINGTON, JAMES F. HASTINGS, KEN HECHLER, EDWARD I. KOCH.

Messrs. ALLARD K. LOWENSTEIN, JOSEPH M. McDADE, RAY J. MADDEN, ABNER J. MIKVA, JOSEPH G. MINISH, F. BRADFORD MORSE, LUCIEN N. NEDZI, RICHARD L. OTTINGER, BERTRAM L. PODELL, ALBERT H. QUIE.

Messrs. TOM RAILSBACK, OGDEN R. REID, HENRY S. REUSS, PETER W. RODINO, JR., WILLIAM F. RYAN, FERNAND J. ST GERMAIN, FRED SCHWENGEL, ROBERT T. STAFFORD, ROBERT O. TIERNAN, G. ROBERT WATKINS, WILLIAM B. WIDNALL, GLENN M. ANDERSON.

Mr. Chairman, as I have done now in 2 previous years, I take the floor today to call upon this body to once again make crystal clear its determination to put an end to the scandal of huge farm subsidies.

This substitute, which was jointly filed, will limit payments to individual producers to $20,000 per crop. In the past, the House has twice accepted my amendments to limit total payments from all three programs to $20,000.

Mr. Chairman, in 1968 this body adopted by amendment by a vote of 230 to 160. That 70-vote margin was increased by 12 votes when my similar amendment was again adopted last year. I believe the margin will be even greater today.

I think it is clear, therefore, that a solid majority of the House does not need to be persuaded on this issue. But there is another reason why the time has come for this reform. It was provided us a year ago by Agriculture Secretary Hardin himself. In testimony before the Senate Appropriations Subcommittee, he revealed that in 1968 nearly two-thirds of all subsidy payments to cotton producers were, to use his own words, "income supplements."

Nearly half of the wheat payments were also nothing but income supplements. In other words, these funds were not needed for resource adjustment or production control purposes.

What a revelation it would be, Mr. Chairman, to some desperately poor family, that we in the House have voted to assist with $1,600 a year, to know that two-thirds of the $4.4 mililon collected by the J. G. Boswell Co. in 1969 was an income supplement. That means about $2.9 million of that amount went to provide some family assistance to the Boswells. We can apply the same arithmetic to Giffen, Inc., which collected $3.3 million, or to South Lake Farms which got by with only $1.8 million.

If those at the other end of the economic scale truly realized what was going on, they would be marching here en masse to demand an equal share of the spoils.

There were eight corporate giants in all, Mr. Chairman, who raked in over a million dollars last year. How can we continue this bonanza for a few while millions remain in the grip of hunger and malnutrition?

Who are some of the others in the privileged group getting large payments?

There is the Delta & Pine Land Co., a British-owned corporation in Mississippi, which last year received a subsidy of more than $700,000.

There is the State of Montana which collected over $640,000. Are these the small farmers who need our help?

Mr. Chairman, for some time I have called for an end to subsidies to our overprivileged oil industry in the form of the depletion allowance and the oil quota system. But Standard Oil in California, not content with these traditional bonanzas, has claimed over $120,000 in farm subsidies.

As shocking as these large payments are, we must remember that they go to just a small segment of all those participating in the payments program. Less than four-tenths of 1 percent of all producers will be affected by my amendment. Even so, this amendment will save up to $170 million.

With a farm policy that makes a mockery of our national priorities, it is not surprising that some of its beneficiaries show a sense of humor in selecting their corporate names. Two farms in California, each collecting nearly $50,000 in subsidies, are known as bonanza farms. When we consider the list of those collecting in the millions and hundreds of thousands, perhaps we can forgive the Mississippi producer who receives a mere $36,000 for calling his operation shoestrings plantation.

But this is really no place for humor, Mr. Chairman, for we know that millions of our fellow Americans are not even living on a shoestring.

The time has come to end a program that does not benefit the small farmer, and redirect these funds to assist the rural poor.

The time has come to take a long overdue step in the battle against inflation.

Finally, Mr. Chairman, the time has come to restore the faith of many who are questioning the order of priorities as we in the Congress see them.

Let us seize this time and put an end to this national scandal.

Mrs. DWYER. Mr. Chairman, agriculture is still one of America's largest industries. As such, it generates jobs for over 40 percent of our population—either by supplying raw materials for work or by providing a market for the commodities produced. Therefore, we in the Congress surely cannot ignore the health of an industry which directly affects so many people.

Historically, agriculture has been a protected industry. Government payments have been made to bring about desirable resource adjustments and to supplement farm income while allowing price support loan levels to reflect the world price levels.

In recent years, however, the subsidy program has become a national disgrace, a boondoggle, a system where the rich become richer, and the poor only poorer.

The subsidy program costs approximately $3.5 billion per year and benefits about 2.5 million farmers. Most of these individuals receive annual payments slightly above $1,000 and 33⅓ percent of these receive less than $500. Further, the millions of very poor farmers receive only 10 percent of the Federal payments for assistance.

On the other hand, less than 4 percent of the farmers receive about 33⅓ percent of the total payments. In fact, a single corporate farm receives approximately $4 million annually from the Government. In Mississippi, in 1 year 817 large farmers received $38.3 million in direct subsidies, while the State received only $10 million from the Federal Government for aid to dependent children. Surely something is wrong here. Not only has the program become a bonanza for the rich, but it is throwing our other priorities out of line.

In view of this shocking situation, I was delighted the other body of Congress attached a much needed amendment to the 1971 agriculture appropriations bill, limiting payments to an individual producer to $20,000. This amend-

ment was offered by Senator RALPH SMITH of Illinois, and was approved by a vote of 40 to 35. It was identical to an amendment voted by the House in years past.

Mr. Chairman, there has been a sharp increase in recent years in the number of farm subsidies. The number of checks for amounts over $20,000 received by farmers has increased 60 percent since 1966, shot up 30 percent in 1969, and is expected to increase even more this this year. This is certainly a tremendous drain on the U.S. Treasury, and I am firmly convinced we must start reversing this runaway trend that began in the 1960's. The Government's efforts have since only assisted the well-to-do and given credence to the absurd argument that more Government funds, rather than sound farm policy, will bail agriculture out of its current problems.

The committee's recommendation to limit payments to $55,000 per crop is certainly a step in the right direction, and I commend the members for recognizing that a limitation must be established. However, I believe we should reduce the payments even further. The amendment to limit payments to $20,000 is long overdue. I have voted for it before, and I intend to do so once again today.

(Mr. FISH asked and was given permission to revise and extend his remarks.)

Mr. FISH. Mr. Chairman, for the third time since I entered the Congress, we in the House face the issue of limiting farm subsidies. I have consistently supported a $20,000 ceiling. The agriculture bill before us contains a $55,000 ceiling.

What is the difference?

A $20,000 limitation will save the American taxpayer conservatively $171 million. Only $48 million will be saved the taxpayer at the $55,000 limitation figure.

The amendment I favor is comprehensive, covering all payments except loans and purchases.

It is ably written to prevent evasion through devices like subdividing, production allotments, or otherwise. It mandates regulations by the Secretary of Agriculture to prevent circumvention of the intent of Congress.

The present farm subsidy payments in my opinion are indefensible. Hundreds of millions of taxpayers' dollars serve only to encourage large corporate farms. These subsidies are an embarrassment to farmers in the Hudson Valley, and in central New York.

The measure before us—to limit payments of $20,000—is the best hope of reforming an inquitable farm subsidy program.

Mr. ABERNETHY. Mr. Chairman, I move to strike the last word.

The CHAIRMAN pro tempore. The gentleman from Mississippi is recognized.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the chairman of the committee.

Mr. POAGE. I should like to see how many more Members wish to speak on these amendments. I think we must agree to some time limitation. I see there are something like 17 or 18 Members standing. I wonder if we can agree to vote on the amendment and all amendments thereto at 3:30 p.m.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BELCHER. Mr. Chairman, I object. There are so many Members standing, including myself, as ranking member of the committee, I would suggest to the chairman that we go along a little longer.

Mr. POAGE. All right. We will continue.

Mr. ABERNETHY. Mr. Chairman, I do not know of a more difficult problem year after year that is visited upon this House than the consideration of the Farm Bill. This is a very sad and unfortunate fact.

It is not to be dramatic, however, when I suggest to the Members of this House that of all the sciences in the world, agriculture is the greatest science of all. Were it not for that science, which has been known longer to man than any other, and which had its beginning with the beginning of time, we would not be here today. This earth would be rotating in the universe just as numerous other planets as nothing more than parched spheres.

As the chairman of the great Committee on Agriculture has said and as others have said, there is no other industry as important, to those of you who want to live, as agriculture. Unless we do our part to approach its problems fairly and to keep it alive, resulting burdens of hunger will be visited upon every family from coast to coast and from Canada to the gulf, in the ghettos and in the rural areas.

I do not like the approach of this program. I will be frank with you. I recall when this program was first brought to the Congress in 1965 I did not support it.

We knew that this day would come, when each and every farmer would be compelled to hide his face and walk into the county agricultural office and pick up his check. We knew he would be left in a state of embarrassment. We knew that their names would be exposed in the papers and that they would be looked upon as people who were receiving a kind of ugly subsidy from the Federal Government. But it passed and we now appear to be stuck with it.

I guess I represent myself when I get home to be an expert in the field of agricultural legislation. An expert I understand is a person who is a long way from home. But really I am not expert enough to suggest an acceptable substitute for this program. I just do not know what to substitute for it.

Mr. Nixon, when he campaigned, suggested he hoped to have a substitute. He was honest and sincere about it. Secretary Hardin, when he came in, felt he might have a substitute, and he was honest and sincere about it. Both of them were searching and digging for something different. We have been doing the same. No one has been able to come up with a substitute—even those who offer these amendments.

Bear in mind, Mr. Chairman, that these experts—and I do not say that in any tone of criticism—who offer these amendments are not against payments. As I said yesterday, my friend, the gentleman from Illinois (Mr. FINDLEY) is for payments. He used to serve on our committee. Regrettably, he left our committee and went over to Foreign Affairs. And with all due deference to the gentleman from Illinois, I do not know of any larger subsidies than those which he brings to the floor for people other than American citizens. I am not needling my friend. I am just talking facts.

The same is true of my friend, the gentleman from Massachusetts (Mr. CONTE) who serves on foreign aid appropriations.

The CHAIRMAN pro tempore. The time of the gentleman from Mississippi has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

Mr. ARENDS. Mr. Chairman, reserving the right to object, what was the request?

The CHAIRMAN pro tempore. The request was that the gentleman might proceed for an additional 5 minutes.

Mr. ARENDS. Mr. Chairman, I shall not object to this request, but I shall be constrained to object in the future.

Mr. CONTE. Mr. Chairman, reserving the right to object, I would like to ask the gentleman in the well if he is going to give me a chance to have a colloquy with him, if he is going to use my name.

Mr. ABERNETHY. I want to be fair with the gentleman. I will do my best.

Mr. CONTE. Mr. Chairman, the gentleman will have to do better than that.

Mr. ABERNETHY. Mr. Chairman, I assure the gentleman from Massachusetts I will do my best.

Mr. CONTE. Mr. Chairman, I withdraw my reservation of objection.

Mr. HAYS. Mr. Chairman, reserving the right to object, I am curious in connection with this reservation to know if there is any subsidy for any silver manufacturing companies in the country. I understand there is an indirect subsidy, and I understand the gentleman from Massachusets gets very interested in that when it comes up. I have heard that around, but I did not know, but I just thought I would ask.

Mr. ABERNETHY. I do not know. I think there is.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, as I said, my friend, the gentleman from Massachusetts (Mr. CONTE) is a delightful person. He is not against farm payments. He is for farm payments. He simply wants to put a limit on them. And he has a very popular thing going in the press. It is of great political benefit to him. But bear in mind he is not doing his thing to his own people. He is doing it to some who are far removed from his own political district. He has all to gain and nothing to lose.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman very briefly, please.

Mr. BOGGS. Mr. Chairman, the gentleman from Massachusetts referred to me yesterday when I was off the floor

and he wanted to know how I stood on the $55,000 payment. I want the gentleman to know I support it wholeheartedly, without reservation.

Mr. ABERNETHY. Mr. Chairman, I thank the gentleman from Louisiana.

Mr. Chairman, let me get along a little further now. My friend, the gentleman from Massachusetts (Mr. CONTE), is not against subsidies. He is not against foreign aid subsidies. He appropriates foreign aid to foreign countries. I am one who enjoys appropriating for Americans. Foreign aid is what we used to call UNRRA. This is IN-RA we are working for now. This bill is for home folks for Americans. We want to keep a few of these dollars for our own people, for those who are trying to feed the people of Massachusetts and Illinois, and people all over our great land.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield briefly.

Mr. CONTE. I have a very brief observation.

First of all, I wish the gentleman would cut out of the farm program as much as I supported cuts of in respect to the foreign aid bill this year.

Mr. ABERNETHY. If the gentleman will just give us as much as they get in foreign aid, we will not have any problem.

Mr. CONTE. The second point is in answer to the gentleman from Ohio. I do not know what he is talking about. I am interested in the silver fight. Johnson wanted to take the silver out of the quarter and the half dollar, and serve on the committee handling the appropriations for the Bureau of the Mint. That is where I became interested in saving our silver that was going to speculators, rather than the consumer.

Mr. ABERNETHY. I might also say, while the gentleman is on his feet, he as a member of the subcommittee on post office appropriations has not done anything to cut that big fat subsidy going to Reader's Digest, which I understand runs to several million dollars a year.

Mr. CONTE. The gentleman from Mississippi realized my committee merely appropriates and has nothing to do with legislation.

Mr. ABERNETHY. My friend from Illinois (Mr. FINDLEY) is an able member. He represents 13 fine rural counties. I believe the largest town in his district is about the size of the largest town in mine. Neither of us have large cities.

Do Members know how much money goes into his district from this program? His farmers up there received last year the huge sum of $22,386,900; and none of it was returned.

He has fixed the cut off level at $20,000, because that covers every farmer in his district that is, all but 21.

Is that right, or not?

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I have asked the gentleman; is that right?

Mr. FINDLEY. I cannot answer, unless the gentleman yields.

Mr. ABERNETHY. I cannot yield except for an answer to my question.

Mr. FINDLEY. Mr. Chairman, did the gentleman ask me a question?

Mr. ABERNETHY. I do not yield.

Mr. FINDLEY. A parliamentary inquiry, Mr. Chairman.

Mr. ABERNETHY. I do not yield, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman declines to yield.

Mr. FINDLEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN pro tempore. Does the gentleman from Mississippi yield for a parliamentary inquiry?

Mr. ABERNETHY. If I can get more tme, I will, Mr. Chairman.

I ask unanimous consent that I may proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. I yield to the gentleman from Illinois.

Mr. FINDLEY. If I understood what the gentleman asked correctly, it was that only one received a payment in excess of $20,000?

Mr. ABERNETHY. Twenty-one.

Mr. FINDLEY. Twenty-one did receive in excess of $20,000?

Mr. ABERNETHY. Right.

Mr. FINDLEY. The gentleman is certainly correct.

Mr. ABERNETHY. All right. Then only 21 out of 27,540 farms in the gentleman's district would be affected by his amendment.

Mr. FINDLEY. I might add, I have never voted for the payment yet.

Mr. ABERNETHY. In other words, he has fully taken care of all of his farmers but 21.

I am not going to misstate it. According to the Department of Agriculture, there are 27,540 farms in the gentleman's district. He has a farm district, and he is taking care of every last one of them; that is, all but 21. That means he is taking care of 27,519.

I do not blame him. This is great for him.

And he is a good footman, too, because he beat his colleague (Mr. CONTE) to the well here today and won the honor of offering the Findley-Conte amendment, or the Conte-Findley amendment, depending on which gentleman wins the race to the clerk's desk.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Ohio.

Mr. HAYS. If everybody he has taken care of votes for him, it does not really matter whether the 21 vote against him.

Mr. ABERNETHY. That is right. The gentleman is really an astute politician.

Mr. FINDLEY. I thank the gentleman.

Mr. ABERNETHY. I may need his help one of these days, and I shall certainly send for him.

Now, the chairman of the Appropriations Committee made one of the most important statements to be made here today.

If we should cut back to the level as he says, of the Findley amendment, and force many farmers out of the crops which they are now growing, what are they going to do? They have the land. They have these expensive pieces of farm machinery, the costs which have multiplied several times in recent years.

Does anyone believe they will put that machinery out under the shed and let it rust away?

I will suggest to the Members what they are going to do. They are going to other crops and thus create surpluses therein. There is nothing else they can do.

My friend from Iowa, Mr. MAYNE, who supports the Findley amendment, has taken care of all his people, also, that is, all but six—no, seven. I do not want to misquote the accurate figure. He has taken care of all but seven. He will not lose but seven of his farm votes when he gets home. This he does in supporting the Findley amendment.

I will tell the Members what the large cotton farmers are going to do if the amendment is adopted. They are going to put their land into soybeans and corn. What else can they do? Then what will your feed grain farmers do? Do you not see how this Findley-Conte thing upsets the balance we have in agriculture?

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. ABERNETHY. No, I cannot yield now.

We would double the problem for the feed grain farmers and the wheat farmers. And this we do not want to do.

If the Members want to kill this bill, such will result in costing our Government a lot more money than we are spending now. I am not just talking off the top of my head. After having lived with this tough assignment for nearly 26 years, I know what I am talking about. I know where we are going to land. We will return to a program that costwise will make the cost of this one look like a thin dime.

If you defeat this bill you will invoke an old program that will mine millions of dollars out of the Federal treasury. Do not make this mistake. I know the headlines on the Findley amendment read well in the papers. I know they look good at home and I know they will get you some votes.

I am not against politics. I like votes myself. But at the same time I want to eat and eat well. I am not going to quarrel about the food surpluses we sometimes have in this country. Neither should you. My goodness. Would not Russia, China, and Cuba like to have the food surpluses we have today? Would they not like to have what we have? Why do you condemn these farm people for doing the best job that is done food production-wise anywhere in this world?

Agriculture is our greatest industry. It is our most important industry. You, all of you, need this bill. You need what it will produce—adequate food and fiber to feed and clothe this great Nation. I urge you to vote down the amendments and support the bill.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. MYERS. Mr. Chairman, I rise in opposition to the amendment to the substitute amendment.

(Mr. MYERS asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, will the gentleman yield to me for a brief observation?

Mr. MYERS. I will but very briefly.

Mr. CONTE. I just want to make one point. The gentleman from Mississippi mentioned foreign aid. I would like to ask him the question how could he stand here and talk like that when a British company is getting $700,000 a year in farm subsidies from Mississippi if that is not the biggest foreign giveaway I do not know what is?

Mr. MYERS. That is brief enough. I yield no further.

Mr. Chairman, I can understand why many voices are raised this afternoon which are opposed to these big payments, because I think it is politically popular this afternoon to be opposed to all payments. Frankly, the majority of the people do not understand exactly what is involved here this afternoon. If I were selfish, I must say, in my own congressional district it would be popular for me to rise in opposition to the payments.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MYERS. Not at this time. I will in just a moment.

However, I recognize every voter and every taxpayer in the Seventh Congressional District of Indiana is a consumer of agricultural products. Every meal they eat comes from the agricultural efforts of this country. Much of the clothing that they wear comes from agriculture, also. Today, as has been frequently said, we are eating cheaper than we have ever eaten in the history of our Nation. That is the issue that we are confronted with today, and that is what we are speaking about here today. Do we want to continue to keep a healthy agriculture? The proponents of these amendments to the committee amendment I think have failed to recognize the thrust of the bill. It is simply this——

Mr. BOGGS. Will the gentleman yield at that point?

Mr. MYERS. At this particular time I will not, but I will shortly.

The thrust of this bill is this: it is not to keep any one farmer on any one farm, but it is to keep agriculture healthy and to keep the agricultural economy healthy so that any farmer through his own efforts and his own work may make a fair return on his investment and for his labor. That is all this is for. But if you change this by putting in a limitation of anything less than $55,000, it will destroy the system and the program will not work.

My good friend from Indiana, who proposed to make every farm a big farm, such as the big chainstores, which is exactly what he is proposing. Is he taking care of his city constituents? Oh, sure. They will pat him on the back this election year, but how about next year and 5 years from now when there are just a very few farmers or farm units that will be farming in this country? Then his constituents and yours and mine will be paying a lot more for the food to provide for the Nation.

I mentioned the gentleman's name, and I must yield to him.

Mr. JACOBS. That is not what happened in the automobile industry. All my constituents buy cars.

Mr. MYERS. Cheaper than they ever bought them before?

Mr. JACOBS. More can buy now than in the 1920's. And that is because of the bigness of the industry.

Mr. MYERS. You have not bought one lately, then.

Mr. JACOBS. The gentleman said it is cheaper to buy food now than ever before in the history of this country. I cannot buy it any cheaper. I know in my grocery store at the corner it has gone up about 10 percent in the last year and a half.

Mr. MYERS. I bought a car and it cost me 10 to 15 percent more than it did 2 years ago.

I yield to the gentleman from Louisiana, Mr. BOGGS.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. BOGGS, Mr. MYERS was allowed to proceed for 2 additional minutes.)

Mr. BOGGS. I thank the gentleman for yielding. I appreciate his yielding to me.

I think that the gentleman and the gentleman from Mississippi have covered the case. As far as I know, today there is not a farmer in my district that has any subsidy. I represent an urban and a suburban district.

But I know that the people in my city of New Orleans cannot prosper if agriculture does not prosper. I remember when cotton, corn, food and fruit products were selling for nothing in my town. You could go to a grocery store and buy food much cheaper than you can today, but you had nothing to buy it with. We literally had starvation in the country.

Mr. MYERS. But in percentage of disposable dollars I question if this country ever has had cheaper food and fiber than we do today.

Mr. BOGGS. That is right.

If the gentleman will yield further, let me make one further point, a point that the gentleman from Mississippi made about soybeans, because we have gone into soybean production in Louisiana in a tremendous way, and it is a very profitable crop. And we are arguing right now, right in the Committee on Ways and Means to keep that profit in this country.

I would like to make one further comparison. It is estimated that one man hour of labor in the rice fields of the United States is equivalent to 4,000 man hours of labor in Southeast Asia. That is the difference in the efficiency of American agriculture and Asian agriculture. The people who support these amendments could very well spell the death knell to one of the most efficient industries in the world.

Mr. MYERS. I think that is true. And if we want to keep agriculture healthy, and if we want to make sure that there is competition in agriculture, we must keep the farmers out there on the farms, both large and small. If we put this limitation in, what is going to be the result? There will be large farm complexes—and my friend, the gentleman from Massachusetts (Mr. CONTE) knows that there is a city named Holyoke in his community that gets almost $10 million in HEW funds, and gets $24.5 million in all Federal funds, a city of a little over 50,000 population.

I wonder if the gentleman would be interested in placing a $20,000 limitation on each one of those Federal appropriations, and each one of those Federal authorizations for that community on their Federal funds? I think it is just as logical. Because we have large units that are producing food for our Nation, should we penalize them by not buying their production rights. If we are to keep production and consumption in balance, and we must do this, we must not place a lower limitation than $55,000.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I thank the gentleman for yielding. The gentleman from Indiana (Mr. JACOBS) commented about the health of the automobile manufacturing industry. I believe that the record speaks for itself in that the Studebaker Co. found it necessary to move from his own State of Indiana to Canada, and I believe they received a subsidy for going.

Mr. MYERS. Mr. Chairman, I think that generally speaking we want to have a competitive arrangement for all industries and wherever we have lost competition in our great American system the consumers and the taxpayers of this Nation have lost. This is what the primary purpose of this bill really is: to keep the farmers going and an opportunity for them to make a profit within the system, and again this is not a guaranteed annual income for the farmer, although I am sure that many of the folks back home think that it is.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Chairman, I am not at all sure I can add anything particularly to this discussion that has not already been said. I know that the Chairman of the Committee desires to seek a time to vote on these amendments, and I join with the gentleman in that desire.

I would simply like to say, though, that the matters that we are discussing at this particular time will determine whether or not we have a farm program for the next 3 years that will be of any benefit to American agriculture.

Yes, I recognize that I represent a district which, percentagewise, will be hurt more by payment limitations than any other single district, as far as I know, in the Nation. The only possible exception would be the adjoining district to me, that of my good friend and colleague, the gentleman from California (Mr. MATHIAS).

The speech by the gentleman from Massachusetts is similar to many others because this issue is a very popular dead horse to beat. I happen personally to be opposed to any kind of limitation. I believe morally and equitably it is wrong.

But I am a political realist. I recognize that many of us pledged last year when we had this discussion that we would support a limitation. So after long and arduous effort in committee we finally came up with an amendment which called for a limitation of payments and that limitation is $55,000.

I sought a $100,000 limitation because frankly I think that in itself was most restrictive, if we are going to allow the program to work. But finally after a great deal of work and effort we did compromise at $55,000.

I can assure you that it is going to hurt a great many people and it is going to dislocate a good deal of agriculture, and particularly in my own State, and, I know for a fact, in so many other States. But we are prepared to try to live with it.

Anything below this in my opinion will destroy the program. It will make it totally unworkable and force people to go completely out of the program, and produce less of a particular commodity, or go into another commodity that is already somewhat in balance and consequently destroy that balance.

Let me go further and tell you that it is going to mean a real period of difficulty for the American farmer. Today a man who receives a $100,000 subsidy in my own area has to go to a bank to make a production loan and borrow money from the bank to make that crop. Do you know how the banker determines whether or not he is going to get a loan? The first question is, What is your Government payment?

Some of these people seem to have some idea that this is money that is stuck down in a pocket. This money does not go into the pocket. This money goes to pay for irrigation costs, to pay taxes, to pay labor and to purchase farm machinery. Over one-third of all the farmers in my district last year could not repay their production loans to the bank. Bankruptcies have doubled in the first 6 months of this year over last year. This is the problem we are faced with.

Let me cite another situation. I received a letter the other day that started out like this—Dear Mr. Congressman, I am 74 years old and I need your help.

That letter was postmarked in a town in New Jersey. The reason he was writing to me, I found, was because he owned 40 acres of land in my district and had just received a letter from the farmer who had been leasing and farming his land. This farmer told the elderly gentleman that substantial limitations were going to be put into effect; thus disrupting his operation and consequently, he could no longer lease his land.

The elderly gentleman, apparently by telephone from New Jersey had tried other sources to lease the land, and he found that other people were in the same situation.

I got a similar letter the other day from a person over in Virginia. The point is that we have heard a lot of discussion about $20,000, $10,000, $5,000 or $55,000, which basically, as I say, I am opposed to because I think they are wrong morally and equitably. We are attempting with the $55,000 limitation to keep enough people in the program. Thus making it possible for them to participate and maintain some stability. Keeping them not only from upsetting these commodity areas but moving into other areas where they would destroy and upset the balance of consumption as against production.

So I would plead with my colleagues regardless of where you live or what you do, that the stability of the American agricultural industry is terribly important to this country. I, for one, am old enough to remember the 1930's and I hope and plead with you to defeat these amendments and support the committee amendment.

To conclude my remarks on this amendment, I would like to bring to the attention of my colleagues an article that appeared in yesterday's edition of the Wall Street Journal. This article points out the drastic effect of a $20,000 limitation on the total California economy.

Text of Wall Street Journal article follows:

MOVE TO CURB SUBSIDIES FOR KEY CROPS PERILS MARKETING PROSPECTS FOR OTHER COMMODITIES

(By James E. Bylin)

Congressional moves to limit farm subsidy payments for some key crops are threatening to jolt the marketing prospects of a number of other agricultural commodities.

"We have to grow something," says William Balch, executive vice president of Heggblade-Marguleas Co., the farming subsidiary of Tenneco Inc.

The trouble is that in some areas, including California's sprawling, fertile San Joaquin Valley, whatever the farmers are likely to turn to is probably already in excess supply. "Raising something else could create economic chaos," one major grower says.

Congressional action imposing some sort of subsidy limit is expected this year. The House Agriculture Committee has recommended legislation that would impose a $55,000-a-crop ceiling on the amount of Federal price-support subsidies that a farmer could receive for cotton, wheat or feed grains.

A similar measure has been introduced in the Senate, but no action has been taken. The Senate's sentiments already have been expressed in a rider attached to the fiscal 1971 farm appropriations bill that it passed.

That proposal, which is expected to be dropped in conference negotiations with the House, would impose a $20,000-a-farm subsidy limit.

Under a price-support subsidy, the Government guarantees the price that farmers will receive for crops grown on alloted acreage. The allotment setup, which forces some land into nonproduction of a subsidized crop, is used to control the volume of certain commodities.

It is generally anticipated that the House will lean toward the lower $20,000-a-crop limit. House members who are preparing to vote this week on the $55,000-a-crop proposal, are expected to be informed that the Nixon Administration "can live with anything between $55,000 and $20,000," a White House source says.

LOWER CEILING PREFERRED

Nixon advisers are convinced that a lower subsidy limit would be preferable, because it would aid the budget with greater reductions in subsidy outlays, principally for cotton. A $20,000 figure is seen saving $15 million to $250 million in 1971, while a $55,000 limit would produce a theoretical saving of any $58 million in the initial year. More than $3 billion in direct subsidies was paid to farmers last year.

Besides California, the money pinch would be felt chiefly by farmers in Arizona, Arkansas, Mississippi and North Carolina. Even the state government of Montana would be affected. George Lackman, Montana's agriculture commissioner, says the state received $641,000 last year in wheat subsidies for state-owned land leased to sharecroppers.

Montana used its subsidy income for state aid to local school districts, and the subsidy limitation "could seriously cripple our school fund," asserts Mr. Lackman. But he is hoping Congress will make an exception of the subsidies paid to the state and keep the payments coming in. "We're a state government dealing with the Federal Government," he declares.

In California, the nation's leading farm state, growers last year received $122.8 million in direct aid. Of the total, $99 million came under programs that would be affected by the proposed legislation. Cotton subsidies totaled $80.2 million last year; the subsidy for feed grains was $12.6 million, and for wheat the Government paid $6.2 million.

Most farmers didn't qualify for the aid, but many of those who did cashed in big. Of the 25 biggest subsidy payments paid across the country last year, 15 were paid to farmers in California, and all but one of them operated in the San Joaquin Valley. One collected $4.4 million last year.

In all, more than 300 California growers received more than $55,000 individually in subsidy payments last year; they collected a total of $28 million. About 1,000 growers received more than $20,000 each; their take last year was $49 million.

That may sound like loose change in California, whose farmers annually produce more than $4 billion of commodities. But agricultural experts envision the impact reverberating throughout the farm economy if subsidies are curtailed.

SWITCHING FROM COTTON

The key concern is that switching by cotton growers to other crops would throw those markets into turmoil. Says one agricultural economist: "With the exception of premium wine grapes, every crop in California is in excess—and you can't grow premium wine grapes in the San Joaquin Valley. It doesn't take much to kill a market. Almonds, cling peaches—where they're already pulling out trees—and others are all having a hard enough time now balancing supply and demand."

Most growers say they're in a quandary over what steps to take. "I don't think any of us know what the future holds," says Jack Wolf, secretary of Giffen Inc., a San Joaquin Valley farm operator that received $3.8 million in payments last year, the second highest total. Mr. Wolf reiterates that "there's hardly another crop you can name that isn't in full supply now."

But the land is too expensive to stand idle, says Mr. Balch of Tenneco's Heggblade-Marguleas unit, whose operations include Kern County Land Co., which received nearly $1 million in cotton subsidies last year. It grows 17,000 acres of cotton.

Heggblade-Marguleas, Mr. Balch says, might diversify its cotton acreage into specialty crops, including table grapes, tree fruits such as nectarines and plums, and vegetables, in an effort to soften their market impact. "But a great number of people are thinking this same way right now," he says. "We would create some real economic dislocations," he adds.

Some growers already have pushed into other crops in anticipation of subsidy cutbacks, but they feel no more secure.

ONE GROWER'S WORRIES

In Coalinga, a western San Joaquin Valley community, Jack Harris Inc. started growing tomatoes four years ago and has about 2,000 acres in the crop. But Mr. Harris, the owner, is still growing 2,800 acres of cotton, and he received $476,000 in subsidies last year. "Without the payments, we would

have been out of business two or three years ago," he says.

Mr. Harris, who also raises such crops as safflower and operates a cattle-feeding business, says he can't increase his tomato acreage further because of soft demand. "We might try some vegetables, but they're very high risk," he says. "We'll probably have to curtail our operations for a few years and see what develops."

Mr. Harris expects to return his cotton lands, which are leased, to their owners and cut in half his work force, which ranges from 100 to 500 workers, depending on the time of the year. Yet, he says that the cotton subsidy also helped support his other crops, and he doesn't know whether he can stay in business. "We'll find out," he shrugs.

According to Mr. Harris, the subsidy reductions are "going to affect many business people in agriculture—from the dry-goods man to the service station operator. Farmers haven't been keeping these subsidies. They've been spending them." He also argues that, by setting subsidy limits, Congress will "just be holding an umbrella over the small, inefficient farmer."

If Mr. Harris doesn't think he can expand his tomato plantings, a major California crop, that's fine with Robert Holt, executive director of the California Tomato Growers Association in Stockton. California traditionally produces more than two-thirds of the nation's tomatoes processed into juice, catsup, sauce and the like. Mr. Holt frets that tomatoes may loom as a logical alternative to the cotton growers.

For one thing, tomatoes can be harvested the first year, unlike grapes and tree fruits, which demand several years to reach production.

PROBLEMS WITH TOMATOES

Mr. Holt says "a number of other things have dovetailed together," including a new tomato variety "that can withstand the rigors of temperatures in areas where cotton has been the main crop." Cheaper water supplies from the California Water Project also encourage tomato production, he says.

Diverting cotton land to tomatoes "would compound for our problem," Mr. Holt declares. That "problem" stems from 1968, when tomato processors offered an inviting $35 a ton for tomatoes. Growers responded by disgorging a record 4.9 million tons, swamping canneries and creating huge carryover supplies. The supplies continue to plague processors. "We're still cussing that one," Mr. Holt says. The price dropped to $27 a ton last year, and production fell to 3.5 million tons. This year, the price is $25 a ton and production will again be reduced; acreage planted in tomatoes has been cut to 141,000 this year from 154,000 in 1969.

Mr. Holt hopes the lower acreage in tomatoes eventually will drive the price back up. But that plan could be thwarted if erstwhile cotton growers turn to the crop. "And there's enough mechanized equipment available to constantly overproduce market demands," he says.

The one crop that cotton growers say they couldn't grow if subsidy limits are imposed, is cotton. California, with its massive farm units operated with factory-like mechanization to help offset the higher costs of land, water taxes and labor, produces about 12% of the nation's cotton. The 1969 yield was about 1.6 million bales valued at nearly $200 million. But "some of our folks are going bankrupt now even with subsidies," asserts John Reynolds, executive vice president of the Western Cotton Growers Association.

The Federal bankruptcy court in Fresno, which covers five big farm counties in the San Joaquin Valley, reports 28 farmers primarily cotton growers, filed bankruptcy proceedings in the first six months this year. During both 1969 an 1968 the full-year total was 31.

Gene Egan, a vice president of Producers Cotton Oil Co. of Fresno, figures that 60% of the nearly 700,000 acres in cotton could be hit if the ceiling is $20,000 and about 30% if the limit is $55,000. His company gins cotton, makes cotton seed oil and also provides financing for many growers.

The average cost to produce cotton in the valley, Mr. Egan estimates, is nearly 32 cents a pound. The world price, he notes, is about 22 cents a pound. The cotton subsidy is in the form of a 16.8 cents payment a pound. But it applies only to 65% of a grower's cotton allotment. "Over 100% production, it figures out to 10.92 cents per pound," Mr. Egan says. "So, if you take the world price of 22 cents a pound, you come up with 32 cents, or about break even. Some of course, produce at a smaller cost and some are over that," he adds.

San Joaquin Valley growers historically have specialized in a long-fiber cotton that once commanded a premium of four cents or five cents a pound over the world price, making it a highly profitable crop. But competition from long-fiber strains developed in other states and the lower-cost synthetic fibers have reduced that premium to only a penny or two, crimping profit margins all the more, the cotton people complain.

One farm economist speculates that some growers will try to grow cotton without subsidies, at least for one year. Instead of careful and costly row planting and intensive hand care, he says, the growers may "just throw out their cotton seed and if it comes up, fine." While yields and quality undoubtedly would be reduced, he says, the growers might discover they can raise a break-even crop, maybe even turn a small profit.

I would also like to at this time to indicate my strong support of the bill if we can keep it substantially in its present form. I recognize that there are many national organizations in opposition to the bill who propose to represent your constituents. One of these is the American Farm Bureau Federation. At this point, I would like to incorporate into the RECORD copies of telegrams from some of my constituents, representing many of my local organizations, including my county farm bureau. These are support this legislation:

FRESNO, CALIF.,
July 31, 1970.

Congressman B. F. SISK,
House Office Building
Washington, D.C.:

Strongly urge your support Omnibus Farm bill as reported out house agricultural committee cotton growers overwhelmingly support this bill as opposed farm bureau or coalition bills.

DICK MARKARIAN,
Chairman, Cotton Dept., Fresno County Farm Bureau.

BAKERSFIELD CALIF.,
Aug. 1, 1970.

Hon. B. F. SISK,
Rayburn House Office Building,
Washington, D.C.:

New farm bill essential to California agriculture. I urge your support of H.R. 18546 as approved by the House AG committee with no less than $55,000 payment limit.

Any less payment limit would force thousands of additional acres out of cotton, wheat and feed grains into fruits, nuts and vegetables already in over supply in California

WILLIAM F. MCFARLANE,
Chairman of the Board.

FRESNO, CALIF.
July 31, 1970.

Congressman B. F. SISK,
House Office Building,
Washington, D.C.:

I urge you to support omnibus farm bill as report out of the House Agriculture Committee.

F. C. FRED MACHADO,
Vice President, Fresno County Farm Bureau.

August 4, 1970.

B. F. SISK,
House Office Building,
Washington, D.C.:

As you know the people of your district are greatly concerned with general economic conditions in California. Agriculture has a large bearing on the state's overall economy. Within agriculture cotton is California's major cash crop bringing in over two hundred million dollars annually. Our company furnishes financing and or processing services for approximately 16 percent of the cotton produced in California. Through this exposure it is our considered judgment that a payment limitation under 55,000 will wreck the California cotton industry and destroy a major section of our state's economy. While we are opposed to any limitations and while we know that even a 55,000 limitation will bankrupt many large farmers, we recognize that some limitations appears inevitable. However, as a member of congress representing the people of California you should recognize that any limitation lower than fifty-five thousand will have a disastrous affect on the state's overall economy. I respectfully urge you to support a minimum limitation of 55,000 as proposed in H.R. 18546 and supported by the Secretary of Agriculture and the President. If you cannot do so, or if you feel the Congress will adopt a lower level, then I urge you to work to recommit the bill and let agriculture live for one year under the 1958 act which does not provide any direct payments to the cotton farmer.

J. B. MAYER,
President, Producers Cotton Oil Co.

FRESNO, CALIF., *July 31, 1970.*

Representative B. F. SISK,
House Office Building,
Washington, D.C.

Urge you to support the new agriculture bill as reported by the House committee. The cotton section of this bill, H.R. 18546, has been developed over the last 18 months with the cotton growers organizations of the Nation, members of the House Committee on Agriculture, and officials of the U.S. Department of Agriculture. We have met together on literally scores of occasions, working out legislation.

This bill is not everything everybody wanted but it probably represents the best that could be worked out. It has the overwhelming approval of the cotton growers' organizations in the Nation.

Even though the $55,000 limitation will pose a major disaster to thousands of acres of California farmland and the thousands of people employed on them and employed by the businesses which supply them, it too has been accepted.

But the lower limitation of $20,000 proposed, would affect half the cotton acres in California. It would be highly discriminatory to California agriculture and economy.

California, according to USDA figures, receives around $84 million farm subsidy payments. A $20,000 limitation would cut that total down 45%. On the other hand, Illinois which receives, according to USDA figures, $195 million in subsidy payments would be cut less than 1% by the $20,000 limitation.

For the stability of California agriculture and economy we urge support of the H.R. 18546 program as recommended by the committee and supported by the USDA for the 3-year period.

At that time its effect can be assessed and, if possible, improved.

JACK STONE, *President,*
Western Cotton Growers Association.

Mr. BELCHER. Mr. Chairman, I move to strike out the last word.

(Mr. BELCHER asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, the last speaker said that his district would be hurt if this bill is passed.

My district is not going to be hurt so far as any payment is concerned because I am not going to get any of it.

But you know this is the best issue on earth for a candidate against you to demagog on—because, and listen, I can make a louder speech than the gentleman from Massachusetts and I can wave my arms just as hard about what a horrible thing the agriculture bill is. Well, I can make the same kind of speech about foreign aid that the gentleman voted for and I did not vote for. But not one time have I ever offered an amendment to the foreign aid bill which would limit payments to $20,000, and he has not, either; $199 billion has been spent on foreign aid, and not one time has anybody wanted to limit that to $20,000. It is possible that if these American farmers were some kind of foreigners, no amendment would be offered to limit payments to them to $20,000 either.

I have not heard anyone propose a $20,000 limit on social welfare; $68 billion is spent by the Federal Government on social welfare. The gentleman from Illinois—and I would not want to make this admission even when I represented farmers—indicated that these farm payments were social welfare. Well, he has 16,000 farmers in his district who he says are getting social welfare. I do not know how he is going to explain it to them, but those farmers do not think that they are getting social welfare. At any rate, if they are getting social welfare, they are not getting $68 billion. In addition, the States of the Union spent $58 billion more on social welfare, with no $20,000 limitation.

Regardless of all the opportunities to make political speeches about a limitation of $20,000 or anything else—and I know that those who represent city districts have a hard time possibly explaining a vote for a limitation above $20,000 or, you might say, a vote against $20,000—you just have to make one of two choices: Do you want to have a depression? Do you want to have less business, less employment, less prosperity in your district that you can deny you had anything to do with?

If you vote for the $20,000 limitation, and it brings a depression, the chances are nobody will be smart enough to charge you with doing it, but in your own conscience you have got to know that you helped bring on that depression by a vote for $20,000.

In my opinion, when you buy a reduction of production, you should pay whatever the amount is worth. The man who gets $20,000 has a certain size investment, maybe $250,000. The man who gets $750,000 probably has a $3 or $4 million investment in his farm, and it is necessary for him to get that kind of payment or he must either raise tomatoes, vegetables, or something else, or go completely out of the farm business.

I represent an industrial area. But I want to tell you sincerely that the reason we arrived at a figure of $55,000 is that by the most careful analysis we could make, $55,000 was a limit which would probably keep a successful farm program. Anything lower than that we feel will probably make the farm program unsuccessful, and if you do, you are going to have to pay more relief and social welfare than you are paying the farmers of the gentleman from Illinois at the present time.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent, Mr. BELCHER was allowed to proceed for 1 additional minute.)

Mr. BELCHER. Mr. Chairman, with all the sincerity that I possess, I we can do for our district and for our want to tell the Members that the best country and for the prosperity of our constituents is to vote for a $55,000 limitation, which will keep some kind of prosperity in the country and put the farmers into a position so they will not have to go to the cities and go on relief, and so our workers will have a $34 billion market to sell their products in.

Mr. MELCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is a long way from Ingomar, Mont., to Boston, Mass. a couple thousand miles. Ingomar, is on the Milwaukee Railroad and I am told that a few years ago, it was the largest shipping point for wool in the United States and probably in the world—that was Ingomar. It was a thriving town then. They had banks and hotels and everything one would expect to find for the hungry and thirsty on those dry plains of Montana. From 100's of miles around the sheep were trailed there to the shearing sheds, which were owned by the Milwaukee Railroad, and there they were sheared in the summer, and the wool was shipped. In the fall the lambs were also shipped from there. That was a long time ago.

Now all that is left is the Jersey Lily, where the people who are hungry and thirsty still go, and the depot and the school. That is the Ingomar of 1970. The shearing sheds still stand, but they are no longer owned by the Milwaukee Railroad, which has sold them because of declining number of sheep. The sheds along with the corrals and pens and the sheep scales are owned privately. Ingomar is no longer a great shipping point for wool, and no longer is it a shipping point for the many, many thousands of sheep that decades ago were loaded there.

This is a declining industry and it has been a declining industry for some time. During the Eisenhower years, in 1954, it was made a national priority to try to revive a dying industry, sheep and wool. This Congress in its wisdom, with the administration backing it, set up what is known as the Wool Act, the wool program. It was not a surplus crop then, and it is not a surplus crop now.

Just why it gets into the amendment proposed by the gentleman from Massachusetts, and the gentleman from Illinois, I do not know, because the remainder of their amendment seems to be dealing with surplus crops. It is a national priority, and a national incentive program to try to get more wool and lamb and sheep production.

The Wool Act is not financed directly out of the Treasury as such. The Wool Act is financed by the tariffs collected on wool and wool products that are brought into this coutnry.

I do not believe that the gentlemen who have proposed the amendment have looked at this in the correct light. I think the wool, title III, as in their amendment, should be stricken. I shall offer such an amendment at the proper time.

Because of the school lands owned by Montana, the State of Montana has been singled out as being a recipient of large payments. The State of Montana does not farm one acre. It is not involved in the program as such. But the school land of Montana is still owned by the State and much of that is leased to individual farmers who do farm it. They, the farmers, receive the payments on their share of the crop, and the State receives its share of the payments on its share of the crop.

Who is the beneficiary here? The schoolchildren of Montana are the beneficiaries, because these are school lands, and the money goes to the schools to relieve some of the tax burden. I think it is fine for the gentleman from Massachusetts and the gentleman from Illinois to cite the example of how much money somebody is receiving, but they are mixed up here when they say the State of Montana receives $660,000 as an individual. What happens to the money? The taxpayers receive same help on school taxes—and there are 700,000 people, all the people in Montana that benefit because the payments for leased school land goes for school purposes reducing the local school taxes.

Again, at the proper time either I or the gentleman from Washington, my colleague on the committee, will offer an amendment to exempt State school lands and State lands in general from this substitute amendment proposed by the gentlemen from Massachusetts and Illinois.

Mr. POAGE. Mr. Chairman, again I should like to see how many Members desire to be heard on this amendment and the pending amendments. Perhaps we can agree to fix a time to vote. We do not seem to have more than twice as many as we had the last time.

I wonder if we could agree to close all debate on the pending amendment and all amendments thereto at 4 o'clock. I ask unanimous consent to do so.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. WHITTEN. Mr. Chairman, I object.

MOTION OFFERED BY MR. POAGE

Mr. POAGE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 4 o'clock.

The CHAIRMAN pro tempore. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore (Mr. SMITH of Iowa). The gentleman will state his parliamentary inquiry.

Mr. WAGGONNER. Do I correctly understand that we are closing debate at 4 o'clock on the Lowenstein amendment?

The CHAIRMAN pro tempore. On all amendments pending.

Mr. WAGGONNER. Mr. Chairman, was not the Findley motion offered as a substitute, rather than an amendment?

The CHAIRMAN pro tempore. It was a substitute amendment.

Mr. WAGGONNER. Then debate will not close at 4 o'clock, will it?

The CHAIRMAN pro tempore. There is a committee amendment pending. The limitation of debate applies to the committee amendment and all amendments thereto, including the substitute and amendment thereto.

The Chair will recognize Members standing at the time the limitation of debate was entered into for approximately three-quarters of a minute each.

The Chair recognizes the gentleman from Texas (Mr. PRICE).

(Mr. PRICE of Texas asked and was given permission to revise and extend his remarks.)

Mr. PRICE of Texas. Mr. Chairman, I am going to explain as best I can, why I believe the $20,000 limitation on payments is not justified.

As I spoke yesterday in regard to this, it amazes me that we have so many experts on the farm problem when so few have participated in the art of agriculture. As a farmer and rancher myself, I find very disturbing the ideas and philosophies some people have in regard to agriculture.

As I said yesterday, I oppose any limitations on farm payments. Being a political realist, however, and realizing full well that the city Congressmen would join together and undoubtedly impose a limitation on farm payments, I reluctantly agreed to support the $55,000 ceiling arrived at by the Agriculture Committee. This was not an off-the-wall figure, it was the product of a great deal of agonizing effort on the part of individuals within and without the Government. And it is a figure that will realistically limit farm payments without wrecking the farm program.

Mr. Chairman, during the general debate on the Agriculture Act of 1970, I have heard the question raised, how would limiting payments to $20,000 destroy the farm program? Let me answer this question once and for all. Farming is a risky, low-profit business. Those who think farmers are fat cats who lie back and rake in Government subsidies have another think coming.

Given the cost-profit squeeze in agriculture today, many individuals are leaving the farms and seeking their livelihood elsewhere. As evidence of this in the last 20 years the population in this country has increased by 36 percent while the farm population has decreased 50 percent. During this same period, the number of farms has dropped from 5.7 million to 2.9 million and the decline continues.

The current condition of the American farmer can also be well depicted by examining his earning position relative to nonfarm sectors of the economy. Since 1950 the hourly earnings of manufacturing workers have risen by 131 percent. Since 1950 corporate dividends have increased 235 percent. In contrast to these success stories, the farmers' average return in 1967 to 1969 was 3 percent below what it was 20 years ago using 1947 to 1949 as a base period. Moreover, modern-day prices received for the three major farm crops; corn, wheat, and cotton, are actually considerably lower than those received two decades ago. For example, the average price received for corn last year was $1.12 per bushel. Twenty years ago, it was $1.68.

Mr. Chairman, the facts speak volumes, the farmer in America is not fully sharing in the economic growth of the country. He is providing the food and fiber that is underpinning this growth; he is providing the momentum that fuels this growth; but, he is not reaping the rich harvest he so justly deserves. When I say the farmer provides the momentum for economic growth. I mean just that. The agriculture sector of this great country has become a mighty machine. It produces the richest and most diverse harvests of any nation in history. It provides food in such abundance that the average American spends only 16.5 percent of his disposable income on food. At the same time, the agriculture sector generates jobs either directly or indirectly for nearly 40 percent of the work force. It employs more people than the steel, auto, utilities, and transportation industries combined.

The ability of the agriculture sector to provide the underpinning and momentum for our economic growth depends on the courage, resourcefulness, and initiative of the hardy few who are willing to risk their lives and their fortunes in the risky business of farming. To survive in the face of mounting costs for equipment, land, labor, facilities, and supplies, farmers have had to expand their operations and take every advantage of the economies of scale. As a result in many areas of the country, such as the Texas Panhandle, it is common for man to farm whole sections of land where in his father's time, men normally described their operations in terms of acres.

It is this fact, that farming has become big business, that the prime sponsor of the amendment to limit farm payments to $20,000—Mr. CONTE and others, seem singularly unwilling or unable to recognize. Perhaps his vision is limited to the farming conditions in his State, a State that has only 126,219 acres tied up in farming. In Texas we farm 35,778,092 acres. If this is the case I would suggest the gentleman expand his horizons. If, on the other hand, it is local votes rather than acres he is counting, I would suggest it is more important for this Nation to feed its people than it is to elect particular individuals to public office.

The other chief sponsor of the amendment to limit farm payments to $20,000 is the gentleman from Illinois (Mr. FINDLEY). In contrast to the gentleman from Massachusetts, he does come from a farming State, Illinois contains almost 25 million acres of farmland. On its face, one would think he would know full well the condition of the farmer in America; however, when the conditions in his State are examined, it is discovered that his concern is also limited by local conditions.

Despite the fact that the gentleman from Illinois has more farmers in his district than practically any other Member of Congress, only 21 of his farmers stand to lose any money by the $20,000 payment limitations. Could it be that he has drawn the ceiling in his amendment to protect only his constituents? Could it be that he has advocated and pursued a course of action that is in reckless disregard of the consequences on the farmers outside his district, or the American people for that matter?

Mr. Chairman, the plain unadorned fact of the matter is that if this amendment were adopted and a $20,000 ceiling set on farm payments, the larger, more efficient producer would be unable to participate in the Federal farm program and still cover his overhead, much less make a profit on his investment. He would have no other choice than to determine what crops he could grow most efficiently and plant them fence to fence. This would force the smaller farmers who were participating in the farm program to economic ruin. It would destroy the delicate bonds of the farm program which match farm production with the consumption needs of this Nation. It would create new gluts on the market. It would dislocate the farm economy in so many ways that the economic tidal wave what would be created could well swamp the rest of the economy and drive the Nation smack into a devastating depression.

The history of the United States is fairly clear that nationwide depressions begin on the farms. When I was growing up there was an old saying that went like this: "Depressions in this country have always been farm bred, farm led, and farm fed." I predict, and I hate to be a prophet of doom, but I predict that if this Congress adopts the amendment to limit farm payments to $20,000, it may well have sown the seeds of our economic ruin.

In closing, Mr. Chairman, I would like to briefly comment on the farm bill itself, because I fear its merits are being obscured by the payments limitations issue. As I said yesterday, this bill is a compromise bill. It represents, not what I or anybody else on the committee thinks is the ideal program, rather it represents a bill that reflects the political and economic realities of the times. It is a bill that hopefully will help farmers produce food and fiber at a reasonable return on their labor and their investment. It is also a consumers' bill in the basic sense of the word; because the operation of the bill will help insure that the American con-

sumer continues to pay reasonable prices for abundant and nutritious foods.

Mr. Chairman, out of the $7 billion that has been appropriated for agricultural expenditures in fiscal year 1971, only about $3.5 billion goes to farming. The remainder is allocated for food stamps for the poor, school lunch programs, surplus commodity, and distribution programs. I want to emphasize the fact that only $3.5 billion is spent on the farm program itself; that is, out of every Federal dollar, 1.75 cents goes toward providing the seed money for the national harvest.

I ask you all to search your minds. Is there any other industry in this Nation or this world that does so much for so little? Would you forsake American agriculture, our horn of plenty, for the sake of political profit? I hope not. I pray not.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Arizona (Mr. STEIGER).

(Messrs. RHODES, BERRY, and ANDERSON of Illinois yielded their time to Mr. STEIGER of Arizona.)

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of the Findley-Conte amendment to limit price support payments to $20,000 per commodity. In doing so, I am fully aware that this is no simple issue, and that it is certainly not a matter of moral right or wrong. I do know, however, that the current practice of making hundred thousand and even million dollar payments to a tiny minority of corporate farms is an enormous drain on the treasury and is giving the entire farm program an exceedingly bad public image. Because of this, I believe that a real solution to the farm morass will mean moving back to a considerably freer market situation, and greatly curtailing or even eliminating the present multibillion-dollar payment program.

So in making a decision on this amendment, my concern is entirely pragmatic: What will be the practical effect of a payments ceiling? I must say that those colleagues of mine so strenuously opposing this amendment have left a most confusing impression on this score. One gentleman from a cotton growing area in the South has said it will drive planters out of the program; moreover, because the market price is so far below the costs of production they will be driven out of cotton entirely. And what is worse, go into soybeans and bankrupt the entire state of Illinois.

Another gentleman from a cotton growing area in the West has argued just the opposite. He asserts that although the proposed ceiling will drive farmers out of the support program, it will not drive them out of cotton. Indeed, quite the contrary. Once unleashed, they will plant cotton from fence row to fence row—soon inundating the entire State of California with cotton bales.

Now which of the gentlemen is correct? Certainly they both cannot be. My own view is that they both exaggerate considerably. If we pass this amendment it will not lead to the collapse of the farm program; not everyone will switch to soybeans nor will everyone plant their farms from fence row to fence row. The probable result will be that everyone, especially the large farmers will be made quite uncomfortable. And, in my view, that is precisely what we need. So long as individuals are content with the present jerry-built structure, we are never going to get the fundamental reevaluation and overhaul of the farm program we so desperately need. If the passage of this amendment will both save the hard-pressed Federal Treasury a quarter billion dollars and spur long overdue action toward revamping our basic agricultural policy, I think it is especially worthy of support.

Mr. STEIGER of Arizona. Mr. Chairman. I thank the chairman and I thank the gentlemen who have yielded their time to me.

Like everybody else, I want to bring into perspective for you what we are doing here, and I want to do it from my point of view. I do have cotton farmers in my district and I am concerned about them. This is a political issue, but, let us face it, the gentleman from Massachusetts has railed to you about the grower who gets millions of dollars in subsidies and about that heinous English organization that gets $700,000. Well, I have news for you. The Committee on Agriculture has already killed them off. The $55,000 limitation takes care of them. That is done. To use the gentleman from Illinois' own figures and one of the many information sheets that he sent around to us, as he calls them, he indicated the reason why he wants to go to $20,000 is because there would be two fellows nationally under the three-crop payment plan who would get $165,000. Then there would be 32 people who would get $110,000. Then there are going to be 12,000 farmers who would get $55,000. I think using those figures as logic he then said that therefore we have to go to $20,000. Well, I am telling you what will happen to those 12,000 farmers. He has told them that for political expediency and because it is politically sexy for me to talk about those 12,000 farmers with a $55,000 Government payment, that I am going to set the level at $55,000. But he did not think about the banks in those little towns that would get wiped out and he did not think about the implement dealers and the schools that would not get the school taxes and about $1,500 an acre of land that would go to $300. He should not think about them, either, because it does not affect him and he will get votes by not doing it. But it is up to the rest of us to think about those people. Yes, the consumers will suffer and the farmers will suffer, but if these farm communities suffer, the entire State has to suffer, and if those States suffer, then other States have to suffer. Recognizing that it is not just a farm problem and recognizing that we have already killed off the million-dollar recipient, because the committee did it when they passed the $55,000 limitation, and recognizing that from here on in you are simply haggling and you are supporting something just to make political points and with no other merit to it—recognizing that, I believe you all know how you should act. I urge you not to do that and I urge you to support the $55,000 limitation.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Louisiana (Mr. WAGGONNER).

(Mr. WAGGONNER asked and was given permission to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Chairman, it would be much better if we had ideal circumstances surrounding agriculture today, but these circumstances do not exist. Why and quickly now because time does not permit more do we have to have a subsidy from the Federal Government? Simply because we have problems in agriculture, and we of the Federal Government have said to the man who owns land, who owns equipment, who has been and still must pay taxes on this land and equipment, who has been farming that land and utilizing that equipment, that "you cannot farm your land any more," we have put him out of business. So when he cannot longer do with his as he chooses we by way of a subsidy payment partially compensate him for damage done.

Everybody agrees that some subsidy is in order. How much? That is the question. We, I readily admit, need some limitation. Why $55,000? Because there is a difference in crops. The people who live in the middle west and who raise feed grains know that it costs them some $35 an acre to get the grain ready for harvest, but it costs us in the South $140 to $150 an acre to get cotton ready for the harvest, and that is the reason a $20,000 limitation will not do, and cover all crops with fairness and equity. For this reason and others, Mr. Chairman, I support the committee amendment.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Iowa (Mr. SCHERLE).

(Mr. SCHERLE asked and was given permission to revise and extend his remarks.)

Mr. SCHERLE. Mr. Chairman, as a grain and livestock farmer, I find myself in a unique position and with mixed feelings. However, as a farmer I do support the $55,000 limitation, and I will tell you why.

I can visualize very easily the large farmers who would be penalized under this $20,000 limitation, and the problem that it would create. Who is the biggest contributor to the surplus we have in the marketplace? No one else but the big farmers naturally.

Now, if we do not offer some enticement, some incentive for these large farmers to participate in the feed grain programs, it will be disastrous for the little farmers because they are the ones who will suffer. No one will allow their high priced, high taxed land to remain idle.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Montana (Mr. OLSEN).

(By unanimous consent, Mr. MELCHER yielded his time to Mr. OLSEN.)

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

Mr. OLSEN. Mr. Chairman, I wish to associate myself with the remarks made

by my colleague, the gentleman from Montana (Mr. MELCHER) just a few moments ago. I want to add something to them.

Mr. Chairman, I was the attorney general of Montana for 8 years, and as such I was on the land board that managed the school lands.

The States of Montana, Washington, and Oregon have been very diligent in managing their school lands, and they have, I believe, managed them more diligently than any other States in the Union. And the money does get to the schools. One-third of the crop that comes from the farming of school lands gets to the schoolhouse.

So, Mr. Chairman, I not only stand here in support of the committee's position on the $55,000 limitation, but I stand here also in support of the committee's position that the school land should be exempt from that limitation because that money does go to the schoolhouse, it does go to the schoolchildren, and I know, because I have witnessed this, and that is through the diligence of at least three States, their great diligence in preserving the gift of the Federal Government for the establishment of the common school system.

I hope, for that extraordinary reason, that we would vote for the committee limitation, and that we would vote for the committee's exception for school lands.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Georgia (Mr. FLYNT).

(Mr. FLYNT asked and was given permission to revise and extend his remarks.)

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Georgia.

Mr. STEPHENS. Mr. Chairman, I would like the record to show that I am opposed to the Findley amendment, and all other amendments thereto.

(By unanimous consent, Mr. STEPHENS yielded his time to Mr. FLYNT.)

Mr. FLYNT. Mr. Chairman, I thank my colleague, the gentleman from Georgia, for yielding his time to me.

Mr. Chairman, I support the committee bill. I support the committee bill as amended. I oppose all amendments thereto.

Some of our colleagues today think that a surplus of farm commodities is a bad thing. Well, let me say to my friends from the great urban cities of America, who do not understand agriculture and the problems of agriculture that they are the ones who should be most thankful that we do have a surplus of agricultural commodities in the United States.

Mr. Chairman, there is a very thin line between surplus and scarcity. If this surplus that we have, and I am proud that we do have, should be transformed into a scarcity many Americans would go hungry for want of food, and the price for that food might be doubled or tripled within 30 days' time.

I wish the time would come when we had no need for susidies or agriculture payments of any kind. But until that time comes I want to do my part to help to maintain a viable and strong agricultural economy in the United States. I want an agricultural economy based on surpluses. I do not want an agricultural economy that is based on a scarcity of food for the mouths of the American people.

The bill as reported by the Committee on Agriculture is sound and I support it without apology.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

(Mr. ECKHARDT asked and was given permission to revise and extend his remarks.)

Mr. ECKHARDT. Mr. Chairman, I come from a district composed primarily of a large and populous city but which includes also some farm areas. But I think that I am properly representing my constituents in the city area when I support the interests of the farm areas because I have within my district the Turning Basin of the great Port of Houston, which is one of the greatest shipping points for farm products.

I think many of us who live in industrial and city areas have a strong interest in the health of agriculture. For this reason I have always voted against a fixed cutoff point for support payments to farmers, and I will vote against such limitations today except that contained in the committee amendment.

I took the same position that I take today on May 27, 1969, when the Conte-Findley amendment was before us. I refer to my statement at that time respecting the basic reasons for the price-support program. I also said at that time:

> Nevertheless, there are abuses. The price support program should be overhauled.

The bill before us does substantially change the price-support approach. It does not pay farmers directly for leaving land out of cultivation but pays certain support payments based on production which do, it is true, result in land being left out of cultivation. However, a farmer cannot under this bill be paid for simply not producing as was true in the past.

Also, with the committee amendment the inordinately high farm support payments are eliminated. There is a $55,000 limitation per crop.

As in so many other fields we must here strike a reasonable balance.

We must recognize, on the one hand, that the purpose of the production payments is to stabilize prices by restricting production of certain commodities, so that overproduction does not depress the price of the commodity. On the other hand, we must recognize that extremely large farmers, because they are big, are better able to ride out a bad year and they are not so much at the mercy of the market as are the small farmers.

I would be reluctant to tamper with the committee's balance of these interests. The committee has decided that this latter factor justifies a cutoff at $55,000. It is evident that the committee believes that if the cutoff were put at any lower figure several inequities and several undesirable results would occur.

First, it would be unfair to cut off production payments at a level of, say, $20,000 so that a farmer with extensive lands and heavy investments would be unduly restricted in production payments as compared to his smaller neighbor who could produce closer to the potential of his land and equipment. The result would be, of course, a higher unit price of production for the larger farmer.

Second, a cutoff at such figure would tend to cause the large farmers to move into the field of production of other commodities where his production payments were cut off with respect to a given commodity. Thus he would tend to glut the market in these other fields.

Whatever the weaknesses of our farm program, farmers have been able to work under it and to develop a total agricultural operation which is far more efficient than that of the Soviet Union or any other nation with a program comparable in size. It is for these reasons that I support the committee bill and the committee amendment.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Chairman, in response to the comment of the gentleman from Oklahoma about limiting welfare payments to $20,000, I know an elderly blind lady who is on welfare and she has just informed me that she would accept that $20,000 limitation.

Also I would like to suggest to those who for years have talked about leading this country down the road to socialism that the amendment I have offered will lead this country up the road to capitalism.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Minnesota (Mr. QUIE).

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I support the Conte-Findley amendment for a $20,000 limitation. I believe the farm program can still work well at that level. That is as high as the payments ought to be without scaling them down.

I think any problems that exist with reference to wool or school land can be taken care of in the other body, if they are problems.

The way the vote will be called after the time limitation, we are going to have to vote on amendments without any corrections because there will not be any time to discuss any corrections being offered.

As I have watched the problem of limitations through the years I have come to the conclusion that we should have a sliding scale of limitations like we have on sugar. But since that is not possible the $20,000 limitation comes closer to what I think is proper and equitable than the $55,000 limit.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas (Mr. FISHER).

Mr. FISHER. Mr. Chairman, I rise in support of the committee version which imposes a $55,000 limitation on payments under the farm program, and in opposition to the pending amendment—which includes wool in the limitation.

I think the $55,000 figure is a reason-

able figure, considering all the complications and implications that are involved. By operating under that limitation for a year or two the Congress will then be much better able to determine more accurately its feasibility and the overall effect the limitation will have on the production of food and fiber.

In regard to wool—it really has no place in this amendment. It is not included in the committee amendment. In limitation efforts in the past it has not been included. It is not included in the Senate limitation recently added to the agricultural apropriation bill. Wool, like sugar, is a deficiency commodity. Our national policy is to encourage more production of wool, not less production. In fact, that is the stated purpose of the National Wool Act—written into the law.

Long ago wool was officially declared to be a strategic commodity, in terms of national security. In case of war, if submarine activity should cut off our long supply lines from New Zealand and Australia—as must be anticipated, our essential wool supply would become extremely critical. Hitler was once quoted as saying he lost the battle of Stalingrad because of shortage of woolen clothes for his troops. So, wool is a critical, strategic, and highly essential commodity not only for normal uses but for national security as well.

Wool growers in this country have had quite a struggle. During the Truman administration the tariff on raw wool was cut by 25 percent. That reduction enabled our friends in Australia and New Zeland to produce, transport, pay the lowered duty, and sell their wool in this country at a price below our cost of production. That was the findings of the Tariff Commission following an exhaustive hearing some 20 years ago. And the Commission recommended an import fee to close that gap between imported prices and our actual cost of production.

At that time the Eisenhower administration recommended instead what became the National Wool Act, and it has been in effect ever since. It has worked fairly well. As I have said, the entire concept of that program is to encourage more production. Now we find that concept, in effect, coming under attack by the Findley amendment.

It just happens that the wool market is in quite a slump at this time, which accounts for a relatively high incentive cost—paid for, incidentally, out of duties collected from excessive importation of foreign wool and woolen products. Wool prices have a way of going up and down.

Perhaps next year the domestic price will be much better, and the cost of the program reduced accordingly. In an 11-year period, payments ran from a low of 15 percent to a high of 47 percent. I can tell you this: No wool producer in this country is making much if anything at this time out of his operations, even with the incentive support.

I think it is fair to say that if you favor the National Wool Act—its concept of encouraging more wool production, you would be expected to oppose the Findley amendment. The amendment should be defeated.

The CHAIRMAN pro tempore. The gentleman from Maryland (Mr. GUDE) is recognized.

(Mr. GUDE asked and was given permission to revise and extend his remarks.)

Mr. GUDE. Mr. Chairman, I rise in support of the Conte-Findley amendment. This is an essential step in our efforts to reorder our national priorities. The farm subsidy program has become a symbol of institutional lag. Designed to meet the crisis of the 1930's, it now provides massive payments to the successful farmers it helped to grow, but only a pittance to the large numbers of invisible poor on the farm. We need to redirect and reinvigorate our farm program, and I have grave doubts that this legislation meets this need.

But at the very least, we can try once again to reduce the payments received by a handful of the most affluent producers. This year, the other body has followed our lead and approved a $20,000 limitation on farm subsidies. Let us reaffirm our support of a limit on Federal largesse, and our commitment to reform that will give both the average farmer and the average taxpayer a break.

[Mrs. HECKLER of Massachusetts addressed the Committee. Her remarks will appear hereafter in the Extensions of Remarks.]

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Oklahoma (Mr. EDMONDSON).

Mr. EDMONDSON. Mr. Chairman, I rise in support of the committee bill.

Mr. Chairman, I recognize this bill is far from perfect and leaves unanswered some of our major questions on farm policy.

Nevertheless, it appears to be the best legislation available to us at this time, and I know the committee has worked long and hard on its contents. The $55,000 limitation is undoubtedly a compromise of the strong views prevailing on this question, and will accomplish the major objective of those who farm a limitation without doing total violence to the program to stabilize farm prices and production.

I will therefore support the committee position and the committee bill, with the hope that the next Congress will provide improved solutions to some of the long-time problems of the American farmer.

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

(By unanimous consent, Mr. EDMONDSON yielded the remainder of his time to the gentleman from Oklahoma, Mr. BELCHER.)

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New York (Mr. KOCH).

(Mr. KOCH asked and was given permission to revise and extend his remarks.)

Mr. KOCH. Mr. Chairman, I rise in support of the Lowenstein amendment and the Findley-Conte amendment.

[Mr. KOCH further addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New York (Mr. LOWENSTEIN).

Mr. LOWENSTEIN. Mr. Chairman, a major premise of farm legislation is that it is not in the national interest to drive small farmers off the farm. We would do that if there were no subsidies. We do that when we give enormous subsidies. So I favor a reasonable subsidy, at least till some better system is devised and implemented. Now the distinguished chairman and the overwhelming majority of the committee support a ceiling of $55,000 and insist that a lower ceiling would destroy the farm program. But why is $55,000 a reasonable ceiling and anything less than that disastrous? The studies I have seen do not support that notion. In fact, they indicate that there would be relatively few farms affected, though the savings to the taxpayer would be substantial. Is the taxpayer who supports all these programs to be forgotten in the interest of a few corporate farmers? On the contrary, it seems to me sound economics and sound morality to stop paying large subsidies to people who do not need them while other people go hungry and millions more are crushed by taxes and inflation.

In short, the substance of the arguments against my amendment today has been an argument against any payment limitation at all, and if we end up without a reasonable and enforceable payment limitation, I think greater social and economic inequities will result from extending the farm program than from abandoning it. If we come to that situation, I will be obliged to vote against the bill. If we cannot have a farm program that is fair to small farmers—and to consumers and taxpayers generally—we should have no farm program at all. We would thus have arrived willy-nilly at Mr. JACOBS' conclusion, which I for one would regret.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

(By unanimous consent, Mr. ABERNETHY yielded his time to Mr. WHITTEN.)

Mr. WHITTEN. Mr. Chairman, I thank my friend and colleague, TOM ABERNETHY, who made such a fine argument on this matter.

This is not a relief program for agriculture. It is not a payment to agriculture. This is an effort to maintain farm purchasing power by maintaining farm income on a somewhat comparable level with the cost of what the farmer must buy. Unfortunately, this generation does not remember the cause of the last depression, which was led off as all depressions have been by a breakdown in farm income. When farm purchasing power went down, it pulled the rest of the economy down.

In our country, in order to keep a healthy economy, we must keep a balance between industry, agriculture and

labor. For years we tied agricultural prices to 90 percent of parity, which means prices comparable with the prices the farmer had to pay for things he bought which, of course, included the cost of labor. As minimum wages and bargaining power of labor unions increased, the cost was passed on by industry to the buyer to maintain a balance so important to our economy; farm prices, or raw material prices, were supported at a somewhat comparable level—except, of course, in the case of perishable commodities, where section 32 funds were used to buy up surplus—30 percent of import duties.

Unfortunately, the 1965 act provided that as labor continued to get higher minimum wages by law and by collective bargaining provided by law increased its average minimum wage to $2.96 an hour, agricultural prices were permitted by law to sag to even less than 50 percent of parity; and the Congress promised to make up the difference in what has been called throughout this debate "checks from the Treasury." I said at the time of passage of the act that the Congress would either renege during the years of the act or cut it back when the next agricultural act passed; and that is what efforts are being made to achieve today.

Keep in mind that the farm program was initially passed to restore purchasing power to agriculture, so essential if we were then to have an economic recovery; for as I have stated it was the break in agricultural prices and income which led to the depression of the 1920's and so with all others.

Let us review the facts:

The value of agricultural products dropped from $18,328 million in 1920, to $12,402 million in 1921. As a result, 453,000 farmers lost their farms, all reflected by failures of local banks.

In 1928 prices were: wheat, $1; cotton, 18 cents; and corn, 84 cents. By 1931 wheat was 38 cents; cotton, 5.5 cents; and corn, 32 cents. The Dow-Jones Stock Price Averages followed by declining from a high of 381.2 in September to a low of 41.2 in July of 1932.

Farm income and resulting real purchasing power has already dropped more than 50 percent on the farmer's investment since 1940, from 7.1 percent to 3.10 percent. The warning signs are out.

Now, why cannot we get this story over? Perhaps too few are willing to study history; or perhaps it is because the news media is focused on the 95 percent of nonfarmers. Whatever it is, the story must be gotten over, for the sake of all.

What I say to you today is that you are not limiting a grant or a gift to the farmer or the agricultural producer, you are dealing with a part of his cost and all his profits; and if you do scale back the Government payment you are leaving him helpless in an economy where labor and industry are protected and their take of the consumer dollar is ever increasing. Then just as certain as happened in the late 1920's you are inviting the biggest depression imaginable.

If this were merely a gift, any amount would probably be big enough. But this is a matter of cutting back farm income, which means farm purchasing power with all its adverse effects on every one. If the Conte-Findley amendment is passed, estimates show the farmer can buy only 20 percent of the equipment and other materials he purchases today. If he, industry's biggest customer, cannot buy, industry cannot hire, labor cannot work, taxes would not be paid, and so it would go.

We should vote for the committee bill, which perhaps goes too far itself. Certainly we should defeat the Conte-Findley amendment, which is predicated on an erroneous concept that this provision for the farmer is a handout.

If you want to invite disaster, cut down the purchasing power of agriculture. The results will be on your heads if you pass these limitations without restoring farm prices and volume drastically reduced since 1965.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. GOODLING) is recognized.

(By unanimous consent, Mr. GOODLING yielded his time to the gentleman from Oklahoma, Mr. BELCHER.)

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I urge everyone to vote for the Conte-Findley amendment to strike a blow for economy, to help stop inflation, and to save the taxpayers $177 million a year.

I would like to answer one thing the gentleman from Mississippi, (Mr. ABERNETHY) my good friend, said—and I say that sincerely. The gentleman talked about my district getting subsidies. I challenge the gentleman to tell me which if any in my district get any subsidy, and which subsidies I have ever voted for.

The Mississippi Delta area receives some of the largest subsidies in the United States, and yet it has one of the highest poverty rates in the United States. Can the gentleman rationalize that?

I hope all my colleagues will march up the aisle, as they have in the past, and put some sensibility into this runaway program.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Washington (Mr. FOLEY).

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I do not have more than a handful of people in my district who receive more than $20,000, in commodity payments, but I would tell my colleagues I have a serious question about the effectiveness of the agricultural programs if anything lower than the committee amendment is adopted.

I think a certain political or perhaps cultural problem is reflected by Members who do not have substantial agriculture in their districts and are seemingly not concerned about its welfare. These Members seem to think that adopting these amendments is an effective way to cut the budget, but I think they will find such action will redound to the detriment of their constituents in the urban and suburban districts around the country.

I strongly urge those on the floor to oppose the Findley-Conte amendment, and the Jacobs and the Lowenstein amendments. The committee amendment at $55,000 is as low as we should go.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Oklahoma (Mr. BELCHER).

(Mr. BELCHER asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, we have had a long, hard argument. We always have a long debate on the fram bills. I think it has been carried out at a very high level. I just want to tell the Members that I believe that anything less than $55,000 is not going to get us a successful farm program, and I believe that without a successful farm bill and program, every single solitary district in the United States is going to suffer.

I never try to tell another Member of Congress how to vote. I want all the Members to use their very best judgment and let their conscience be their guide and vote their sentiments on this bill.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas (Mr. POAGE) to close the debate.

Mr. POAGE. Mr. Chairman, many feel they must vote for a limitation of payments of some kind. I think limitations are unwise. I do not think there is any necessity for any limitation, but many sincerely believe there should be.

The committee has given us an opportunity to vote for a limitation, and at the same time to use a figure which the Secretary of Agriculture and the Committee on Agriculture feel will be practical and one through which we think we can make the program continue to work.

We have a choice between that kind of limitation and one which the Secretary says will not work, and one which all of us who have studied agriculture feel will not work, and one which no single farmer I know of thinks will work.

I think the choice ought to be to vote down all these limiting amendments to the committee amendment and to support the committee amendment for $55,000. This committee amendment takes care of all this talk about the millionaires, and takes care of all this talk about how some people have so much money. It cuts everybody down to a $55,000 maximum, and everything will be achieved that Members say they want to have achieved.

Mr. BOLAND. Mr. Chairman, I rise in support of the Conte-Findley amendment. Designed to stop what is probably among this country's most profligate wastes of the taxpayer's money, the amendment would set a ceiling of $20,000 per crop on subsidies to individual farms. The ceiling now, as you know, is virtually limitless. Many giant farm operations—operations so lucrative they rank with some of our biggest industries—receive yearly subsidies well into the hundreds of thousands of dollars. When first before the Congress, the farm subsidy program was heralded as a means of protecting the small farmer against the vicissitudes of the market. The program, we were told, would maintain what was

then a venerable American institution: the small family farm.

It has not worked out that way. The program now lavishes money on the big automated farms—farms that can amply afford to stay in the black without Government subsidies. The small farmers, meanwhile, receive subsidies almost trivial in comparison to their needs. The small farm is vanishing, driven out of the agricultural marketplace by the competition. The big farms, conversely, are booming.

Only a cursory glance at the farm subsidy program's statistics shows a need for wholesale reform—or, perhaps, even abolition.

The committee bill, as it now stands, proposes a $55,000 limit on crop subsidies. This figure is plainly too high. The Conte-Findley amendment would more than halve the committee's ceiling, lowering it to the far more reasonable sum of $20,000. It would, moreover, place the subsidy limit on wool as well as the three crops cited in the committee's bill: wheat, feed grains, cotton.

Another distinction between the committee provisions and the Conte-Findley amendment—a distinction that is probably the most significant, in fact—warrants mention here. The committee bill encourages what can be interpreted as lenient enforcement of the ceilings. The amendment, quite to the contrary, demands far more rigorous enforcement.

It is high time the Congress eliminated abuses in the farm subsidy program.

We can start on that job today.

The CHAIRMAN pro tempore. All time has expired.

PARLIAMENTARY INQUIRY

Mr. FINDLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. FINDLEY. Mr. Chairman, am I correct in understanding that the first vote will come on the Lowenstein amendment to the committee amendment, which would have the effect of reducing the payment to $10,000?

The CHAIRMAN pro tempore. That will be the first vote.

Mr. FINDLEY. Then the second vote will come on the amendment to the substitute amendment offered by the gentleman from Indiana (Mr. JACOBS)?

The CHAIRMAN pro tempore. The gentleman is correct.

Mr. FINDLEY. Which would go down to $5,000 a year.

Then the next vote will be on the substitute amendment, which provides the limitation of $20,000?

The CHAIRMAN pro tempore. The gentleman is correct.

The question is on the amendment offered by the gentleman from New York (Mr. LOWENSTEIN) to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN pro tempore. The question now occurs on the amendment offered by the gentleman from Indiana (Mr. JACOBS) to the substitute amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The amendment to the substitute amendment was rejected.

AMENDMENT OFFERED BY MR. STEIGER OF ARIZONA TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. FINDLEY FOR THE COMMITTEE AMENDMENT

Mr. STEIGER of Arizona. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. STEIGER of Arizona to the substitute amendment offered by Mr. FINDLEY: At the end thereof insert the following:

"(5) The Commodity Credit Corporation is authorized to make long-term low-cost loans for those persons whose payments are reduced under this section and who wish to convert to other crops, said loans not to exceed a total of $100,000,000; said loans to be repaid including interest computed at a sum not less than 1 percent above the cost to Commodity Credit Corporation."

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Arizona (Mr. STEIGER) to the substitute amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The amendment to the substitute amendment was rejected.

AMENDMENT OFFERED BY MR. MELCHER TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. FINDLEY FOR THE COMMITTEE AMENDMENT

Mr. MELCHER. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. MELCHER to the substitute amendment offered by Mr. FINDLEY: In section 101(1), enumerating titles of the bill to which a limitation shall be applicable, strike the Roman numeral "III".

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Montana (Mr. MELCHER) to the substitute amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The amendment to the substitute amendment was rejected.

AMENDMENT OFFERED BY MR. MELCHER TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. FINDLEY FOR THE COMMITTEE AMENDMENT

Mr. MELCHER. Mr. Chairman, I offer an amendment to the stubstitute amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. MELCHER to the substitute amendment offered by Mr. FINDLEY: On line 20 of the Findley substitute strike "means semicolon" and substitute therefor "means period" and strike the remainder of lines 20, 21 and 22 and substitute therefor the following:

"Provided, That the provisions of this act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed, or leased for farming primarily in direct furtherance of a public function as determined by the Secretary."

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Montana (Mr. MELCHER) to the substitute amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The amendment to the substitute amendment was rejected.

The CHAIRMAN pro tempore. The question now occurs on the substitute amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. FINDLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman pro tempore appointed as tellers Mr. FINDLEY and Mr. POAGE.

The committee divided, and the tellers reported that there were—ayes 134, noes 161.

So the substitute amendment to the committee amendment was rejected.

The CHAIRMAN pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. MIKVA

Mr. MIKVA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MIKVA: On page 2, after line 24, add the following new section:

"SEC. 102. No person shall be entitled to receive any payments (as defined in section 101) which exceed in the aggregate $5,000 under the programs established by titles III, IV, V, and VI of this Act, unless—

"(1) he pays each person employed by him (other than a member of his immediate family) at a rate not less than that prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended, and

"(2) he is in compliance with all applicable Federal, State, and local laws, ordinances, and regulations pertaining to the health and safety of his employees, and

"(3) the Secretary of Labor certifies in writing that the recipient is in compliance with the requirements of paragraphs (1) and (2) of this section."

POINT OF ORDER

Mr. POAGE. Mr. Chairman, a point of order.

The CHAIRMAN pro tempore (Mr. SMITH of Iowa). The gentleman will state the point of order.

Mr. POAGE. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Illinois on the ground that it is not germane. It is not germane to the fundamental purpose of this legislation, which is to adjust agricultural production to national consumption.

It proposes to amend a statute—section 6(a)(1) of the Fair Labor Standards Act of 1938—which is not in this bill, or for that matter is not even under the jurisdiction of the Committee on Agriculture.

The CHAIRMAN pro tempore. Does the gentleman from Illinois (Mr. MIKVA) desire to be heard on the point of order?

Mr. MIKVA. Yes, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman is recognized.

Mr. MIKVA. Mr. Chairman, I would say in support of the amendment that this is a limitation on the subsidy payment that can be made. Title I itself is a payment limitation title and this is another limitation on those payments.

The amendment does not amend the Fair Labor Standards Act in any way. No one is required to pay $1.60 an hour.

The only requirement is that if he desires to obtain more than $5,000 in subsidies then he must comply with the payment of $1.60 and with all health and safety regulations.

So I would say Mr. Chairman, that it is germane to the rest of the section and that it does not amend any other statute.

The CHAIRMAN pro tempore. The Chair is prepared to rule.

The gentleman from Illinois (Mr. MIKVA), has offered an amendment as a new section of title I of the bill. The committee amendment just adopted established an annual ceiling on payments to producers of upland cotton, wheat, and feed grains. The amendment offered by the gentleman from Illinois would add a new section to require that producers receiving such price support payments, including producers of wool, may not receive payments aggregating over $5,000 unless first, such producers pay all persons employed by them—other than relatives—not less than the minimum wage prescribed by the Fair Labor Standards Act; and second, such producers certify annually that they are in compliance with all applicable employee health anl safety laws.

The Chairman has had an opportunity to examine the gentleman's amendment and would call attention to a decision by Chairman Cox on June 18, 1935—RECORD, page 9579. In that instance, to a bill providing assistance to farmers through the contractual benefits conferred upon them by the Agricultural Adjustment Act, and amendment prohibiting agreements under provisions of that act unless such contracts established certain minimum wage rates and maximum hours for farm laborers was held not germane.

The Chair feels that this precedent is controlling, that the amendment offered by the gentleman from Illinois is not germane, and therefore sustains the point of order.

AMENDMENT OFFERED BY MR. MIKVA

Mr. MIKVA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MIKVA of Illinois: On page 2, after line 24, add the following new section:

"SEC. 102. No person shall be entitled to receive any payments (as defined in sec. 101) under the programs established by titles III, IV, V, and VI of this Act, unless—

"(1) he is in compliance with all applicable Federal, State and local laws, ordinances, and regulations pertaining to the health and safety of his employees, and

"(2) the Secretary of Labor certifies in writing that the recipient is in compliance with the requirements of paragraph (1) of this section."

POINT OF ORDER

Mr. POAGE. Mr. Chairman, a point of order.

The CHAIRMAN pro tempore. The gentleman will state the point of order.

Mr. POAGE. Mr. Chairman, I make the point of order that the amendment is not germane. It does not go to the purpose of the act and that on the contrary it seeks to impose regulations of another statute without amending the other statute, that it comes clearly within the same ruling of Chairman Cox.

The CHAIRMAN pro tempore. Does the gentleman from Illinois (Mr. MIKVA) desire to be heard on the point of order?

Mr. MIKVA. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized.

Mr. MIKVA. Mr. Chairman, I would say in defense of this amendment that this does not impose any additional requirement on anybody at all.

This amendment does not change any existing statute at all. What it says is that we will not give Federal subsidies to anybody who is violating existing law. It is therefore very germane to the bill at hand.

We are simply taking the position that if this amendment is adopted that Federal funds ought not to be used to support scofflaws.

I do not know anything that is more germane to the purpose of this bill than to see to it that Federal money is limited solely to those who comply with existing law.

This does not increase the jurisdiction of any agency in terms of present existing laws. It simply says that no one is entitled to receive Federal funds unless they are complying with existing laws.

I urge that the amendment is germane.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Illinois has offered an amendment adding a new section in title I of the bill. The amendment would prohibit all price support payments under titles III, IV, V and VI of the pending bill unless the producer is in compliance with applicable laws and regulations pertaining to the health and safety of employees.

The Committee already has before it the committee amendment which imposes an overall payment limitation. The pending amendment would add a complete prohibition on payments if certain conditions are not met.

The Chair feels that in view of the concept already introduced into the bill by the committee amendment, the further amendment offered by the gentleman from Illinois is germane. The Chair overrules the point of order.

Mr. MIKVA. Mr. Chairman, as I stated in support of the germaneness of the amendment, the amendment would not add to the requirements of law as far as any farmer is concerned. It simply provides that before the farmer can receive any Federal subsidies under this bill, there ought to be a certification that he is in compliance with all existing health and safety ordinances and regulations.

I would consider this a tenth-of-a-loaf amendment. My own preference, as I indicated when I first introduced this subject during general debate, is that all farm employees ought to be covered by all present Federal laws pertaining to wages, hours, safety, and health. The man whose income is insufficient to feed his family does not get much solace from the fact that he works for a farmer rather than a factory owner or a miner. I would have preferred that the minimum wage standards now pertaining to some farm employees should also pertain to the employees of those farmers who received subsidy payments in excess of $5,000.

But if we cannot get that, at least we ought to say that no Federal money ought to be used to encourage and enhance a farm operator who violates existing law.

I might say to the members of the committee that there are many cases in point. I have before me as an exhibit that was introduced in a lawsuit in California a list showing instance after instance of farm operators who received subsidies and who violated existing State and Federal health and safety laws.

For example, there was one farm operator in California who received $697,000 in 1969, $341,000 in 1968, and $622,000 in 1966, who on some four different occasions was investigated and inspected by California health investigators, and it was found that there were no toilet facilities on his farm, no hand-washing facilities, no drinking water, all in violation of existing California law.

We are paying people subsidies, Federal money to encourage and enhance their capacity to violate State law. I do not know anything that would do more for State rights than to say to all farm operators that we are not going to give them the wherewithal to ignore existing State and local health and safety ordinances and regulations.

Here is an instance of a farm operator who received subsidies in 1969 of $1,788,000; in 1968, $1,777,000.

In instance after instance we see the grossest kind of violations of existing health and safety standards: no toilet, no hand-washing facilities, no drinking water.

These are farm employees. These are people who are working on these farms being denied the fundamental protection of their own State, local and Federal regulations, and the farm operators who are doing it are getting Federal money to help them to do it.

I suggest that the amendment is merely a small step toward saying, "We are not going to give subsidies to people who violate the existing laws of their State or their local municipality or the Federal Government."

The amendment does not cure any of the fundamental deficiencies we have heard debated before, but at least it would take the Federal Government off the wrong side of an argument about health and safety and would see to it that Federal moneys are reserved for those who are willing to abide by the law.

Mr. Chairman, I include a list of the cosponsors of my amendment:

COSPONSORS OF MR. MIKVA'S AMENDMENT

Messrs. Abner J. Mikva, James G. O'Hara, George E. Brown, Jr., Bob Eckhardt, Edward I. Koch, Robert Nix, Philip Burton, Michael Harrington, Mario Biaggi, Ed Roybal, Allard K. Lowenstein, Thomas M. Rees, Ogden R. Reid, William F. Ryan, Frank Thompson, Jr.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is, of course, one of the most difficult situations with which we have to deal. This is like asking when we will stop whipping our wives, because this has an appeal to everyone of

us to say that a man should not be paid for violating the law.

But there is the question of the burden of proof, and that is quite important to our system of jurisprudence. We had an example just yesterday of the question of the presumption of innocence. I believe the people of the United States are really quite strong in their belief that there is a presumption of innocence. I believe the gentleman who just offered this amendment would be one of the first to advocate a complete presumption of innocence.

I do not believe there should be a statutory obligation placed upon the farmer to prove he is innocent of violating the law. I think, of course, the burden of proof should be the other way, and that if he has violated the law, fine him, penalize him. I do not believe the farmer or anybody else should be allowed to go without penalty for violating the law, but I do not believe the burden of proof should be on the farmer to prove he is innocent, as the gentleman's amendment does. It requires every farmer to come in and prove his innocence before he is entitled to receive his payment.

I think this amendment indicates the futility of trying to write this kind of bill on the floor. This amendment was not submitted to the committee. The first amendment was, and that one was ruled out of order, but this one was not.

I am not really finding fault with the gentleman's thought, but his mechanics are all wrong.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, would the chairman agree the substance of this amendment was in the amendment that I showed to the committee?

Mr. POAGE. No, the chairman will not agree with that at all, because, although I think the gentleman has done it in advertently, he has shifted the burden of proof, contrary to the American way of carrying out our courthouse procedures. I think he has done a thing contrary to my understanding of American jurisprudence. I do not want to be a party to it.

I think the gentleman has also done a thing he does not realize. What he is doing is seeking to penalize those farmers who are growing the three basic crops. This bill and the payments the gentleman is talking about go only to the growing of the three basic crops of cotton, corn, and feed grains. Those are the very crops where we do not have a great deal of hard labor. The great bulk of the hard farm labor is used in fruits and vegetables and specialty crops, and not in these three crops with which we are concerned here. What we are doing is discriminating against the very people who are not involved in the situation that the gentleman is concerned about. He really wants his amendment to go to the fruit and vegetable growers. That is really where the gentleman wants to go, but he applies it to the cotton and corn and feed grain growers.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. Mr. Chairman, we have a similar requirement to that proposed by the gentleman from Illinois in the Davis-Bacon and the Landrum-Griffith laws and almost all school aid legislation, including the poverty program, and I believe the gentleman has generally favored these limitations in the past. There is an obligation on the part of people to show affirmatively, and not as a result of any trial or charge made against them, but as a condition precedent to their entering upon certain duties or obligations or receiving funds, that they are in compliance with all laws that would affect their federally financed operations and activities.

Is the gentleman suggesting to this House that the great American farmer, whom we have always believed to be at the very foundation of the values and concepts this country has been built upon, will have greater difficulty complying with the laws that are passed for all of us, and to observe them, than this group of people?

Mr. POAGE. Yes, I certainly am, because certainly the farmer is in no position to have the accounts that the industrial operations of America have. He simply does not carry his accounts that way. Certainly I am suggesting there is a difference, a very big and very important difference, and one which apparently has never occurred to a great many Members of this House.

Mr. SCHERLE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, whenever we talk about health and safety it is like supporting motherhood and the flag. It is a little difficult to be against it.

However, I do feel there is a proper place for both. The proposal made by the gentleman from Illinois in this bill is definitely not the proper place.

As a member of the Committee on Education and Labor, and the ranking minority Member on the Labor Subcommittee, we had before our committee a bill now before the Rules Committee, on occupational health and safety. We have discussed and debated that bill in the committee for over 6 months. The bill now rests before the Rules Committee subject to hearings.

All of the worries over the problems the gentleman from Illinois has expressed—that can take place or have taken place—is covered under that bill.

There is another problem that concerns me at this time. The gentleman makes reference to State laws. I hesitate to see the Federal Government once again overshadow and oversee States rights. I believe there is enough law enforcement on the State level. If these safety laws exist on the State level—they should be enforced on the State level. They should not come to the Federal Government and say that we should establish an agency by which these laws should be controlled.

I also feel that the farmers are going to be penalized, because all the farmers are not included in this measure, as they are in the Occupational Health and Safety bill.

I ask the Members of this House at this time to refrain from any support of this proposal. The Occupational Health and Safety bill will be before the House soon, and at that time we can make all the adjustments that are needed.

Mr. KOCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I come from a district that has no farmers in it. It includes Greenwich Village and the upper East Side of Manhattan. It is probably the most urban district in the country. There are to the best of my knowledge no constituents I represent who will be assisted by this amendment.

I will tell the Members why I rise to proudly say I am a cosponsor of the amendment and to speak in favor of it. It was about 30 years ago when the picture "The Grapes of Wrath" played in the movie houses across this country. I believe everybody remembers the "Okies," so-called and so well depicted, with respect to what was happening on many farms of this country. It made a great impression on me as a young boy.

I am a city boy. Really, I have been on very few farms in my lifetime. I visited several Iowa farms last year with JOHN CULVER, but other than that, never before. Those farms were modern and comfortable but I have never forgotten the farms described in the movies in the 1930's and the farmworkers who worked them. And I always believed that something should be done to prevent human beings from being so ill treated and housed as have been some farmworkers throughout the years.

It would appear from some of the statements made on the floor by Members speaking in opposition that what this amendment seeks to effect is something new, that it affects conditions which we ought to study or think about. One might get the impression perhaps the conditions sought to be remedied do not exist.

But the Members and I know that every 2 or 3 years there is an exposé in the newspapers about the terrible conditions that exist in the various States—in my own State, the State of New York, and other States. There are few States that are free of what we are talking about, particularly when we talk about the plight of the migratory workers. The fact is that many do not have sanitation facilities and decent housing provided for them.

Then everybody says, "Well, it is a terrible thing, and we have to do something about it, and we will study the problem."

Then nothing happens.

Then a bill comes to this floor which has provisions giving to farmers $55,000 in Federal subsidies, and an amendment is offered which says, "Well, listen. If, Mr. Farmowner, you want $55,000 in Federal moneys, we expect you at least—at the very least—to abide by the State and Federal laws that govern your employees."

We are not talking about the minimum wages in this amendment, although we should be.

We are just saying you ought to provide them with adequate sanitary facilities and decent housing. We say to you,

"Mr. Farm Owner, if you are not willing to do that, then the American public is not willing to subsidize you." I do not think that is an unfair request to make of a farmowner or an unfair request to make of this Congress to say let us be fair to everybody. We hear about fairness to the farmowner. How about the farmworker? It seems to me this is the opportunity to tie him in—one with the other. The farmowner has a $55,000 subsidy. Surely then he has a commitment that he ought to abide by the laws of the land insofar as it affects his farmworkers. That is why I support this amendment.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. KOCH. Yes. I yield to the gentleman.

Mr. ROBERTS. Let me say first that I appreciate the gentleman yielding.

To start with, this $55,000 that you are talking about does not apply to very many farmers. My brother and I, for example, own about 1,000 acres of land, and that is a pretty good hunk of land. We get $490 each as I recall for cotton and grain. Our tenants get twice that much because we rent on that basis. The point I want to make, though, to the gentleman who has not been around farms very much, he says, is that the farm owners do not live in luxury, themselves.

Mr. KOCH. They do not have running water and they do not have sanitary facilities?

Mr. ROBERTS. At least one-third of them have no sanitary facilities.

Mr. KOCH. If my colleague will permit me, I do not know anything about his farm, but I dare say that your brother or whoever else is working that farm probably has those facilities. I would be shocked if he did not have running water. And the fact is that the amendment provides that employees be given the minimum services that the law now requires. And it is not your farm that is going to have a problem.

Mr. ROBERTS. The gentleman would just be shocked, then, because that is the situation.

Mr. KOCH. That your brother is not providing these minimum facilities? I would be surprised.

Mr. ROBERTS. One-third of the farms do not have sanitary facilities, and we cannot do anything about that so long as you limit Farmers Home Administration water and sewer grants and loans.

Mr. KOCH. The amendment says "those farms that are not willing to provide the minimum facilities already required by law" shall not receive the subsidy. This amendment does not mandate additional services to be provided. It merely says "those facilities that are now required by law should be provided to the farm worker" if you in turn want to get your $55,000.

Mr. ROBERTS. I thank the gentleman. I just want to say to him that if I got that $55,000 payment, he feels all farmers receive, I would sure get those facilities, just as soon as I get the FHA water project by my farm. I thank my friend from New York for yielding.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would appreciate the attention of the author of the amendment because I would like to have a little colloquy with him in connection with this amendment.

Very frankly I find myself sympathetic to the desires of the gentleman from Illinois in connection with his amendment. In fact, I was considered sympathetic with the original amendment he offered had we been able to modify it some and had we been able to make it germane, we could have stricken out the overtime provisions, which frankly I do not think will work in connection with farms.

The reason why I rise to ask the gentleman a couple of questions and engage in some colloquy with him at the present time has to do with part 2 of section 102 as he proposes it where he says the Secretary of Labor certifies in writing that the recipient is in compliance with the requirements of paragraph 1 of this section. If I can just briefly explain what I would like to have the gentleman comment on, of course, the amendment would preclude any farmer from receiving any kind of payment or even being considered to be in compliance with any kind of a provision of the present act until the Secretary so certifies. Now, the burden, then, is upon the Secretary of Labor, not the Secretary of Agriculture, and then the Secretary of Labor has to certify. I want to ask the gentleman what he feels the Secretary of Labor is going to have to know before he certifies compliance, because there are, as the gentleman knows, several million farms in this country.

I do not have any idea as to how many people are going to be needed under this, but I am sure there would be an army of people going out checking on this before the Secretary certifies them—or is he going to certify them merely by guess and by gosh?

Mr. MIKVA. Will the gentleman yield?

Mr. SISK. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, I would say in response to the gentleman's inquiry that the Secretary can certify on the basis of a sworn statement filed by the farm operator that he is in such compliance, and unless the Secretary is in receipt of any evidence to the contrary that would suffice.

Mr. SISK. Is the gentleman saying that Mr. Jones, who is a farmer in x State, has complied as best he knows how under this program, and that then unless the Secretary has knowledge otherwise, that he will automatically certify him? In other words, is he saying that he is going to automatically certify a farmer unless proof has been developed that he is not in compliance?

Mr. MIKVA. Based on a sworn statement by the employer that he is in compliance. That is the way the Davis-Bacon Act works, and many other programs under the Federal law work, where a sworn statement from a person involved is sufficient unless evidence to the contrary has been received.

Now, if somebody files a sworn statement which is false, he is subject to penalties.

Mr. SISK. But the farmer is not filing any statement, there is nothing for the farmer to file; this is strictly something that the Secretary of Labor is going to certify to. I am interested in how much information he is going to have to have before he makes such a certification, and I am just wondering how many people are going to get involved in here going around checking on this, if he is going to insist on actually checking with each farmer before he certifies them.

Mr. MIKVA. There is ample analogy for a procedure such as I suggested under Federal statutes like the Davis-Bacon Act, and others, where a sworn statement of a proposed recipient or a proposed contractor is sufficient unless there is evidence to the contrary. There is no large army of investigators going around, snooping around. Where there are instances where a farm operator is in notorious violation, and he files a false statement, knowing it to be false, then he is subject to penalties under Federal law.

Mr. SISK. I do not find anything in the gentleman's amendment that requires a farmer to file anything.

Mr. MIKVA. I am stating that the Secretary could set up such a system, similar to that established under countless other statutes. The whole program would be subject to the Administrative Review Act, and the farm operator would be fully protected, and the Secretary would not have any large army of investigators going about such as the gentleman is talking about.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. SISK was allowed to proceed for 3 additional minutes.)

Mr. SISK. Mr. Chairman, I hesitate to impose on the time of the Committee. And further, let me say to my good friend, the gentleman from Illinois, and others who may be interested in this amendment, I have a great deal of sympathy with it. I do not desire to see any farm operation that is the kind of farm operation such as mentioned by the gentleman where they would receive one dime from the Federal Government.

The gentleman has cited some farms in California, and I would like to find out the names of any farms that are in compliance or involved in the programs covered in here, and I am speaking of cotton; that is, I believe, about the only program in my State where such a certification has ever been made, that it was not in compliance, because there is really little labor involved on the cotton farms in California; they are all mechanized entirely. I recognize that we have had a problem in the fruit areas, and we have had a problem with the grape pickers, and we have had a problem in many areas in vegetables and fruits, and other commodities, but here we are not dealing of course in that area at all; we are dealing with a completely different type of agriculture, and an entirely different commodity.

I would like to support the gentleman's amendment, and I would support it if he would, instead of saying the Secretary of Labor, he would make it the

Secretary of Agriculture, but I do not support the amendment when it has the Secretary of Labor in it. I think that is entirely wrong; I think it imposes a burden that he simply could not fulfill.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. MIKVA. I thank the gentleman for his comments.

I can only say that the Secretary of Labor already enforces the Fair Labor Standards Act as to those farm employees that are covered; so this is not giving some new jurisdiction to the Department of Labor. In fact what the gentleman suggests would be to take away existing jurisdiction from the Department of Labor, which I would be reluctant to do.

Also I would say to the gentleman that I have communications about California farm operators who are receiving subsidies—not fruit growers—who are in violation of existing California laws.

Mr. SISK. I would certainly want to see whether they are in compliance with the law. We do have State laws which will bring them into compliance. All we have to know is about where the farm is.

Mr. MIKVA. I would be very glad to help the gentleman.

Mr. SISK. I assure the gentleman that we would help to see that they come into compliance.

Mr. Chairman, I hope the amendment is voted down because I do think it is unworkable as presently written.

Mr. WALDIE. Mr. Chairman, I too rise in opposition to the amendment. I was in favor of the proposal as it was originally explained to me. But I must confess that one of the strongest and persuasive arguments against it was the one made by the chairman of the committee the gentleman from Texas, where he suggested that the burden of proof is essentially what is involved here.

Were the gentleman's amendment limited solely to violation of Federal law or regulations there would be some sense to tie a Federal program of subsidy to compliance with Federal laws and regulations.

But it just seems to me to make far less sense to tie into compliance conformity to local or State laws without requiring a conviction, and satisfy objections as to the burden of proof.

I voted against a similar proposal that has been before this House involving student loans where we suggested that we not subsidize students who are convicted—in that instance of wrongdoing during student demonstrations. We had a similar program where we required certification by the universities of compliance with certain rules and regulations before we would subvent to them Federal assistance.

I voted against those also because I felt it was an unwarranted intrusion of the Federal Government into what are essentially local matters.

I would vote for this amendment were it tied solely and exclusively to failure to comply with Federal regulation or law but when it is extended to certification that a farmer is not violating a local ordinance or a State law it just seems to me that the chairman of the Committee on Agriculture's argument that burden of proof is an essential ingredient that requires demonstration of fair play and equity to be consistent with the position I took in voting against the restriction upon students and upon universities, upon which their Federal grants were dependent, that it requires equal consistency in this instance.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WALDIE. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I was going to take the floor to make the same comments which the gentleman has made, but he has made them much better than I could.

I subscribe to what the gentleman has said and think the gentleman has drawn the line very well and he has brought out the parallel very well as regards to the student situation, and more importantly as to the question of the burden of proof.

Mr. Chairman, I hope the amendment is voted down.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT of Texas as a substitute for the amendment offered by Mr. MIKVA of Illinois: On page 2, after line 24, add the following new section:

"SEC. 102. No person shall be entitled to receive any payments (as defined in sec. 101) under the programs established by titles III, IV, V, and VI of this Act, unless—he certifies under oath that he is in compliance with all applicable Federal, State and local laws, ordinances, and regulations pertaining to the health and safety of his employees."

This provision shall be subject to enforcement by the secretary of labor under such processes as he shall establish.

Mr. ECKHARDT. Mr. Chairman, the difference between this amendment and the Mikva amendment is that it provides just as the last speaker has pointed out that the same rule shall apply with respect to farmers as applies with respect to universities and with respect to students and scholarships. They are required, in order to receive Federal assistance, to be in compliance with Federal and State laws, and all they need to do to show that they are in compliance is to file a statement under oath to the effect that they are. The processes of enforcement are then given to the Secretary of Labor. The major enforcement measure would be to bring an action for perjury or for false swearing against a person who is actually engaged in an offense. The processes would be directed at that sort of procedure.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. SISK. I do think the gentleman's language would improve the amendment, but I still have a question. As I understood my colleague from California (Mr. WALDIE) a little bit ago, he pointed out, for example, that the language could be in compliance with all applicable Federal laws pertaining to, et cetera. I would be inclined personally to think that that would probably be a good thing. I raise the question as to the obligation of a Federal agency to investigate in connection with local and State laws, and I would appreciate my friend's comment. I know he is knowledgeable in that area. That is the question I am concerned about.

Mr. ECKHARDT. I have had some experience in this area, because as director of the Southwestern Regional Office of the Coordinator of Inter-American Affairs during the Truman Administration, I had something to do with the migratory labor question in my State and in the southwest region, and I know the distinguished gentleman from California has vast experience in that field in his State. Also in the Texas Legislature I have had experience with such laws as, for example, safety regulations on trailers carrying cotton to the gin.

We have provided in States quite lenient laws, but those lenient laws should nevertheless be enforced. Actually the Federal Government frequently does not touch this agricultural field by specific laws in the field. It seems to me that this amendment reflects the height of good relationships between the State and the Federal governments in the enforcement field. What we are doing is not changing State laws. We are letting them be as lenient as the State may desire. But we are requiring that the person who is operating under them, swear that he is in compliance under them.

I would not want to Federalize regulations regarding agriculture in the States. But I would like to see persons comply with that whole fabric of law that is made up of both Federal and State law.

Mr. SISK. If the gentleman will yield further, I appreciate his comments. Again, as I indicated when I made my statement on the floor, I am sympathetic basically with what the gentleman is seeking to do. I have some question, as I have said, particularly where we tie in, for example, with local laws, and in a sense it then becomes a burden, as I understand, upon the Secretary of Labor to determine, if a question arose, local laws and ordinances as well as State laws.

As I have said, I recognize that the gentleman has had a great deal of experience in this area. That is the only question I would have with the gentleman's revised amendment.

Mr. ECKHARDT. Would the gentleman support the amendment if the reference to State law was deleted?

Mr. SISK. Frankly, I see nothing wrong with the revised provision the gentleman has offered. Personally, I cannot speak for the committee or anyone else——

Mr. ECKHARDT. Would the gentleman who offered the original amendment care to comment?

Mr. MIKVA. I would support the substitute as the gentleman has proposed it, if that would satisfy the objections that have been raised here. I certainly do not like to place any heavy burden on the farmer.

Mr. ECKHARDT. As the gentleman from California has proposed?

Mr. MIKVA. As the gentleman from Texas has proposed.

Mr. ECKHARDT. Mr. Chairman, I urge that the substitute be adopted. It is a very reasonable and restricted amendment.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the very able chairman of the committee.

Mr. POAGE. Unfortunately, I have not had an opportunity to see the gentleman's amendment. That is no fault of his. He could not pass it around.

It is my understanding that the amendment offered by the gentleman from Texas would still require the Secretary of Labor to enforce the laws referred to, not the Secretary of Agriculture. Certainly I am in favor of requiring everyone, farmer, or anybody else, to obey the law. There is certainly no objection at that point.

I would be perfectly willing to go along and require a certificate as to obedience of the law on the part of anybody who is going to get public money.

But I think the whole matter should be left with the Secretary of Agriculture, and I do not propose to transfer the enforcement of agricultural law over to the Secretary of Labor. That is a matter of agricultural payments.

Mr. ECKHARDT. Let me say to the able chairman, whom, incidentally, I have supported throughout and whose bill I strongly recommend, I do not believe the question of who enforces it is nearly as important as the gentleman may think, because the way the amendment is now drafted, the major enforcement would be by the U.S. attorney, in a suit on a count of perjury. All the Secretary of Labor would do under these circumstances would be to act as the person who determined whether or not there was a likelihood that a violation occurred.

Mr. POAGE. Then if it is not that important, why not let the Secretary of Agriculture make that determination and submit it to the district attorney?

I agree the district attorney has to carry on the prosecution.

Mr. ECKHARDT. Would the gentleman then support it?

Mr. POAGE. Certainly I will support the idea that anyone whom the Secretary of Agriculture finds in violation should not be paid.

Mr. ECKHARDT. I suspect if we change the word to "Secretary of Agriculture," the Secretary of Agriculture would police the amendment, but the U.S. attorney would bring an action to find whether or not anyone was guilty of false swearing.

Mr. POAGE. I see no difficulty with that.

Mr. ECKHARDT. Mr. Chairman, I would ask unanimous consent to alter the amendment so as to read "Secretary of Agriculture."

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. MIKVA. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. ECKHARDT. Mr. Chairman, may I say I think the objection is perhaps well taken. I think the Secretary of Labor would be the person who would be best prepared to investigate a violation of safety requirements. I merely offered this as an accommodation, but I still think the amendment is good, and I still repeat it makes very little difference whether it is the one Secretary or the other, except from the standpoint of efficiency of enforcement.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I still find myself unable to support this approach, because I can easily envision a farmer swearing he is in compliance with what the laws are of which he is aware, and then find himself in a lawsuit, and then a trial. If it is found he was not in compliance, he is not only guilty of a violation, and suffer a loss of payment, but he may also be guilty of perjury.

I think the gentleman is absolutely correct that the man is not only losing his payment, but the man is taking the risk not only of being in violation of the law, but of subjecting himself to a charge of perjury.

Mr. ECKHARDT. I would say if the illegal act is a matter of whether there is a violation of the State or Federal law or not; if this is the matter to be enforced, and the person would be charged with knowledge of the law and would be guilty even if he did not know the law. But if the charge is perjury, he must do it intentionally, so the objection the gentleman is making would have obtained against the original provision, but it does not against the amended provision.

Mr. EVANS of Colorado. I have heard the gentleman use the word "perjury" in the context with his amendment.

Mr. ECKHARDT. That is right, but an element of perjury is intent to misstate. But a man who makes a wrong statement erroneously and without knowledge of his misstatement is not in violation of title 18, section 1621 of the United States Code which says that to be guilty of perjury one must "willfully and contrary" to his oath state or subscribe "any material matter which he does not believe to be true."

Mr. MIKVA. Mr. Chairman, I move to strike the requisite number of words.

I merely want to say, after hearing the discussion by my colleague from Texas (Mr. ECKHARDT) that I would be prepared to accept the substitute amendment he has offered so long as it stays in the language he has stated; that is, that whatever enforcement processes and whatever procedures are to be established are to be under the jurisdiction of the Department of Labor. I say this because I do not believe that this amendment ought to change the existing balance between the Department of Agriculture and the Department of Labor. What current farm employees are under Federal law are under the jurisdiction of the Department of Labor.

As my colleague from Michigan suggested, we do not look to the FAA to handle airplane employees, and we do not look to the Department of Transportation to handle transportation employees, so we ought not look to the Department of Agriculture to handle what fundamentally is a labor jurisdiction problem.

I will support the substitute amendment offered by my colleague from Texas.

The CHAIRMAN pro tempore. The question is on the substitute amendment offered by the gentleman from Texas (Mr. ECKHARDT) for the amendment offered by the gentleman from Illinois (Mr. MIKVA).

The question was taken; and on a division (demanded by Mr. ECKHARDT) there were—ayes 37, noes 58.

So the substitute amendment was rejected.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. MIKVA).

The amendment was rejected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HALL

Mr. HALL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. HALL: Strike out all after the enacting clause and insert the following:

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive annually under the program established under Title IV of this Act shall not exceed $20,000.

(2) The term "payments" as used in this section means cropland restoration payments but does not mean loans or purchases.

(3) The Secretary shall isssue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided,* That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications

designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later, pursuant to the provisions of section 8c(5)(D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminately separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."

TITLE III—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

TITLE IV—CROPLAND AND WATER RESTORATION

SEC. 401. This Title may be cited as the "Cropland and Water Restoration Act of 1970".

DECLARATION OF POLICY

SEC. 402. The Congress finds that the production of large supplies of food and fiber without holding the soil in place and returning the plant foods taken from it constitutes improper land use, unnecessarily depletes our natural resources, and depresses prices and the income of farm families. It is hereby declared to be the policy of the Congress and the purpose of this Cropland and Water Restoration Act of 1970 to create a market for restoring the national cropland in direct proportion to the rate it is being used and depleted and to bring the supplies of farm products into line with current demand in order to (a) encourage the farmer to return to the soil that potential to produce which has been taken from it in the production of crops; (b) hold the soil in place to prevent its erosion by wind or water; (c) provide irrigation through the building of flood-controlling farm ponds; (d) increase per family farm income; (e) decrease the public costs of maintaining farm programs; and (f) preserve the high quality of food and fiber at reasonable prices for the consumer. To effectuate the policy of Congress and the purpose of this Act, programs are herein established to assist farmers in (1) diverting to soil restoration that portion of their cropland which according to local costs and markets is not fertile enough to produce a profit; and (2) carrying out a voluntary program of soil, water, forest, and wildlife conservation in return for a fair payment for work done until, in the opinion of the farmer, such land can earn a greater profit by producing for the consumer.

PART I—LAND RETIREMENT AND SOIL CONSERVATION

SUBPART A—ANNUAL DETERMINATION—VOLUNTARY LAND RESTORATION—AND PAYMENTS IN CASH

SEC. 403. Beginning with the 1971 crop year the Secretary of Agriculture is authorized and directed to establish and carry out a long-term cropland and water restoration program. In formulating and administering such program—

(a) The Secretary shall each year make and announce an annual determination of—

(1) the estimated total cropland available for the production of crops in the United States in that year;

(2) the total acreage of farm cropland necessary to be retired and devoted to soil-conserving uses in order to bring the total estimated annual production plus the anticipated release from the Commodity Credit Corporation stocks into balance with the estimated annual disappearance of soil-depleting commodities;

(3) the acreage that can be retired effectively and economically in the respective year;

(4) the net soil fertility balance of that used and lost in crop production against that returned in plant food fertilizers; and

(5) the amount of money to be offered in the cropland restoration market to bring about a balance between supply of agricultural products and the anticipated demand for them.

(b) The Secretary is authorized to enter into contracts covering periods of one or more years but not to exceed ten years, with producers determined by him to have control for the contract period of the farms covered by the contracts, if such producers agree to retire and devote to soil-conserving uses any or all farm cropland. The Secretary shall determine and announce the period within which such contracts will be entered into. This period shall be of sufficient duration to provide an opportunity for maximum producer participation. The Secretary shall encourage the retirement of whole farms and shall provide full opportunity for producers of all commodities to participate voluntarily in the cropland retirement program. The Secretary shall place a maximum limitation on the percentage of total cropland which may be retired and devoted to soil-conserving uses in any State or county if he finds that such action is necessary to prevent the cropland restoration program from having an unduly disruptive effect on the economies (including production) of counties and local communities. Any cropland retired and devoted to soil-conserving uses under the crop-

land restoration program established pursuant to this title shall be deemed in subsequent years to have been planted cropland for the purpose of establishing cropland history.

(c) (1) The Secretary shall make an annual restoration payment to producers who (A) retire and devote cropland to soil-conserving uses with proper management pursuant to subsection (b) of this section, and (B) otherwise comply with the cropland restoration program as set forth in this title.

(2) The Secretary shall determine the rate of restoration payments that will provide producers with a fair and reasonable annual return on the land retired and devoted to soil-conserving uses after taking all relevant factors into consideration, including (A) the incentive necessary to achieve voluntary participation in the program, (B) the loss of crop production on the retired acres, (C) any savings in cost which result from not planting crops, (D) the estimated profit margin of crop production on the designated acres, (E) continuing farm overhead expenses, and (F) the cost of establishing a conservation practice on the retired acres, and (G) the cost of planting, fertilizing, and plowing under a suitable restorative crop capable of returning the lost fertility to the soil.

(3) The rate on lands determined in accordance with the preceding paragraph shall be adjusted on a State, county, and individual farm basis in such a manner as the Secretary determines will facilitate the practical administration of the program. The lands to be covered by contract shall be determined by a competitive-bid procedure whereby a producer wishing to obtain a contract shall specify the percentage of the rental rate applicable to his farm which he is willing to accept.

(d) (1) The Secretary shall compensate producers for participating in the cropland restoration program through cash payments. The Secretary may make payments not to exceed fifty per centum of any payments to producers in advance of determination of performance.

(2) In order to assist producers in the establishment of soil-conserving uses on cropland retired under the cropland restoration program, the Secretary shall coordinate such program with the agricultural conservation program established pursuant to the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 163; 16 U.S.C. 590 et seq.).

TERMS AND CONDITIONS OF CONTRACTS WITH PRODUCERS

SEC. 404. (a) Under any cropland restoration contract which is in effect for two or more years, the producer shall agree—

(1) to establish and maintain with proper management for the contract period protective vegetative cover (including but not limited to grass and trees), restorative crops and the plant food necessary to grow them, water storage facilities or other soil-, water-, or forest-conserving uses (orchards and vineyards) on an acreage of land which is specifically designated at the time the contract is entered into and which has been regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers), which do not require annual tillage;

(2) to allow to remain fallow, idle, and in the production of crops (including tame hay, alfalfa, and clovers) which do not require annual tillage throughout the contract period, an acreage of the remaining cropland on the farm which is not less than the acreage normally allowed to remain fallow, idle and in the production of crops which do not require annual tillage on such remaining acreage;

(3) not to harvest any crop from the acreage established in the protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals;

(4) not to graze any acreage established in protective vegetative cover;

(5) not to adopt any practice, or divert lands on the farm from conservation, woods, grazing, or other noncropland use, to any use specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract;

(6) to abide by regulations prescribed by the Secretary with respect to the planting of crops during the contract period for later harvest or use; and

(7) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the cropland restoration program, including provisions relating to control of insects, rodents, and noxious and other objectionable weeds.

(b) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on retired acreage) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, the producer shall forfeit all rights to payments or grants under the contract, and shall refund to the United States all payments and grants received by him thereunder (for contractual time period). In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, the producer shall accept such payment adjustments, and make such refunds to the United States of payments received by him, under the contract, as the Secretary may determine to be appropriate.

SUBPART B—ANNUAL CROPLAND RESTORATION PROGRAM TERMS AND CONDITIONS

SEC. 405. Effective beginning with crops planted for harvest in the calendar year 1971, and notwithstanding any other provision of law, the Secretary is authorized to formulate and carry out an annual cropland restoration program under which producers shall be compensated for producing tons of a suitable soil-building crop as designated by the Secretary. To be eligible for such compensation, the producer shall not harvest any other crop from or graze the acreage on which a designated crop is incorporated into the soil. The acreage in which such crops are incorporated into the soil shall be in addition to any acreage devoted to the cropland restoration program authorized under subtitle A of this title. The annual cropland restoration program may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this subtitle and facilitate the practical administration of the program.

COMPENSATION OF PRODUCERS

SEC. 406. Producers shall be compensated for participating in the program through payments in cash. Compensation shall be at such announced rate or rates per ton of the crop as the Secretary determines will provide producers with a fair and reasonable return for participating in the program. In determining the rates of payment per ton, the Secretary shall take into consideration the need to (1) enable producers to participate voluntarily in reducing excessive production of argicultural commodities, (2) encourage producers to use fertilizer, minerals, and other plant nutrients in such a way as to restore to the soil the fertility lost in past crop production, (3) increase the crop yield of the soil and thereby decrease the costs per unit of products produced in future years, (4) provide water for irrigation by building suitable ponds to hold excessive rainfall, (5) hold the soil in place by terraces, suitable crops, and all other proper land and water management practices, and (6) assure consumers of a continuous, adequate, and stable supply of nutritious food and fiber at fair and reasonable prices. The Secretary may make such annual adjustments in the rates of payments as he determines necessary to achieve the purposes of the program.

SUITABLE CROPS

SEC. 407. Any suitable crop shall be designated by the Secretary for compensation under the program after he determines within the science and "state of the art" locally adopted that by its growth and yield, a substantial degree of soil restoration would be accomplished through its incorporation in the soil. Factors to be considered by the Secretary in making their determination shall include, but not be limited to, the following: (1) wholesome and nutritious food for consumers, (2) the control of insects and plant diseases, (3) industrial users, (4) soil retention and regeneration, and (5) such other factors as he may detefmine.

SUBPART C—GENERAL PROVISIONS

PROTECTION OF TENANTS AND SHARECROPPERS

SEC. 408. In the formulation and administration of programs under this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments or compensation under this title, and including such provision as may be necessary to prevent them from being forced off the farm. Applications to participate in any such program shall specify the basis on which the landlord, tenants, and sharecroppers are to share in such payments or compensation, and no contract under any such program shall be entered into unless such basis is approved by the County Agriculture Stabilization and Conservation Committee and incorporated into the contract. The standards prescribed by the Secretary for the guidance of county committees in determining whether any such basis shall be approved shall include the requirement that consideration be given to the respective contributions which would have been made by the landlord, tenants, and sharecroppers in the production of the crops which would have been produced on the acreage diverted from production under the contract and the basis on which they would have shared in such crops or the proceeds thereof.

PENALTY FOR GRAZING OR HARVESTING

SEC. 409. Any producer who knowingly and willfully grazes or harvests any crop from any acreage in violation of a contract entered into hereunder shall be subject to a civil penalty equal to 50 per centum of the compensation payable for compliance with such contract for the year in which the violation occurs. Such penalty shall be in addition to any amount required to be forfeited or refunded under the provisions of such contract, and shall be recoverable in a civil suit brought in the name of the United States.

AUTHORIZED PERIOD OF CONTRACT AND EXPENDITURE—APPROPRIATIONS

SEC. 410. (a) The Secretary is authorized to formulate and announce programs under this Act and to enter into contracts thereunder with producers during the three-year period 1971–1974 to be carried out during the period ending not later than December 31, 1984, except that contracts for establishment of tree cover may continue until December 31, 1989.

(b) The period covered by any contract shall not be less than one year and shall not exceed five years, except that contracts for the establishment of tree cover may extend for ten years.

(c) There is hereby authorized to be appropriated the sum of $3,000,000,000 for each of the fiscal years ending June 30, 1971, 1972,

and 1973, including amounts as may be required to reimburse the Commodity Credit Corporation for its actual costs.

TERMINATION AND MODIFICATION OF CONTRACTS

SEC. 411. The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest. The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practical administration of the cropland restoration programs.

REGULATIONS

SEC. 412. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

PART II—REPEAL OF AUTHORITY FOR ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND MARKETING CERTIFICATES ON WHEAT, AND ACREAGE ALLOTMENTS ON CORN—PRICE SUPPORT ON WHEAT, CORN, OATS, RYE, BARLEY, AND GRAIN SORGHUM

SEC. 413. Notwithstanding any other provision of law, effective with the 1971 crops of wheat, corn, oats, rye, barley, and grain sorghum, sections 321 through 339 of parts II and III of subtitle B and sections 379 (a) through 379 (j) of subtitle D of title III of the Agricultural Adjustment Act of 1938, as amended (52 Stat. 31; 7 U.S.C. 1281 et seq.), are repealed. Parts IV, V and VI of subtitle B are redesignated as Parts II, III, and IV, respectively, and subtitle F is redesignated subtitle D.

SEC. 414. Effective with the 1971 crop of wheat, the Act of May 26, 1941, as amended (Public Law 74, Seventy-seventh Congress, 55 Stat. 203), is repealed.

SEC. 415. Effective with the 1971 crops of wheat, corn, oats, rye, barley, and grain sorghum, sections 327 and 328 of the Food and Agriculture Act of 1962 (Public Law 87-703, Eighty-seventh Congress) are repealed.

SEC. 416. Effective with the 1971 crops of corn, oats, rye, barley, and grain sorghum, section 105 of the Agricultural Act of 1949, as amended (7 U.S.C. 1441 note), is amended to read as follows:

SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1971 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers, excluding payments in kind made by the Secretary, during the three complete marketing years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any such years: *Provided,* That the level of price support for any crop of corn shall not be less than 75 per centum of the parity price therefor.

"(b) Beginning with the 1971 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghum at a level which relates to the level at which price support is made available for corn as the feed value of such commodity relates to the feed value of corn."

SEC. 417. Effective with the 1971 crop of wheat, section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445(a)), is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1971 crop, price support shall be made available to producers for each crop of wheat at the United States farm price equivalent, as determind by the Secretary, of the average world market price during the three complete marketing years immediately preceding the calendar year in which the marketing year for such crop begins, with premiums and discounts as indicated by the market to reflect milling and baking quality: *Provided,* That the level of price support for any crop of wheat shall not be less than 75 per centum of the parity price therefor."

PART III—GENERAL PROVISIONS

FEDERAL IRRIGATION, DRAINAGE, AND FLOOD CONTROL PROJECTS

SEC. 418. Section 211 of the Agricultural Act of 1956, as amended (7 U.S.C. 1860), is amended (1) by striking "three years" each time it appears therein and inserting in lieu thereof "thirteen years", and (2) by adding after the words "soil bank provisions of the Act" in subsection (b) of the phrase "and under title I of the Cropland and Water Restoration Act of 1970".

RESTRICTION ON SALES BY THE COMMODITY CREDIT CORPORATION

SEC. 419. Section 407 of the Agriculture Act of 1949, as amended (7 U.S.C. 1427), is amended—

(a) by changing the period at the end of the fourth sentence to a colon and adding the following: *"Provided,* That beginning with the date of enactment of the Cropland and Water Restoration Act of 1970, the Commodity Credit Corporation shall not make any sales (except sales offset by equivalent purchases of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed at less than 125 per centum of the current support price for any such commodity, plus reasonable carrying charges."; and

(b) by deleting the seventh sentence.

VOLUNTARY RELINQUISHMENT OF ALLOTMENT

SEC. 420. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

Mr. HALL (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read inasmuch as it has been distributed to all Members and copies are available and I shall explain it and that it be printed at this point in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Chairman, I shall not repeat everything that has been said about this amendment in the CONGRESSIONAL RECORD. I do refer Members to the RECORD, pages H7732 and H7474 for yesterday.

We have heard quite often that there are some defects in the bill before us. I want it understood that I am for this bill. I want it understood that I am for it with or without amendments.

I would like to take some time, however, to explain an idea whose time has arrived, Mr. Chairman. I hope that it will be a relatively quiet interlude. I shall in my rather terse explanation, which I hope will be succinct, cite pages in the distributions that have been sent to each Members with a "Dear Colleague" letter. I shall also refer to the charts from time to time in my explanation.

Mr. Chairman, briefly this amendment in the nature of a substitute leaves title II intact, concerning the base I dairy plan. Title VII becomes title III. It eliminates titles III, IV, V, and VI and substitutes therefor, what I have referred to and introduced as a cropland water restoration bill in the form of H.R. 13717 in the current Congress and for the past two Congresses. It retains title VIII and all thereafter.

Now, Mr. Chairman, the backone of this proposed legislation is soil and water restoration and the incentive to accomplish both with a realistic profit margin for the farmer. That would insure the farmer adequate income, stabilize consumer prices, restore the basic soil and water resources, and not bleed the American taxpayer to death.

How does it work? The essential feature of my bill or this amendment is the second market concept. In actual operation the alternate market or the second market, as it is referred to here, would buy tons of a suitable crop which by its growth and yield would give the farmer the choice of selling to the Government or otherwise disposing of the crop on the market without Government payment.

Second, it would do this in any amount of tons that the farmer wants to sell. I have suggested on this chart a progressive one-fifth of his acreage that he would voluntarily put into crop restoration each year.

Third, it would happen at a price announced each year but above an approved standard such as a minimum wage, parity, or share of his cropland.

Fourth, it could be grown on any part or on all of his cropland as decided by the farmer.

Finally, it would improve the degree of soil restoration and water conservation at the point of infall, and would be paid for by the farmer.

Let me give the members of the committee an example.

The "second market," or "alternate market" would offer to use sweet cover or its equivalent according to the state of the art, growing alone for 1 year and plowed under, and provide an established amount, say, of $25 a dry weight ton, which amount could be determined by the Secretary of Agriculture each year. If the farmer had a pond approved by the Soil Conservation Service for irrigation, row crop hydrology, flood control, or other practices of special value, the suitable crop would be worth an established amount plus a bonus of perhaps an extra $5, or $30 per dry weight ton of cover crop plowed under. The weight per acre would be figured on the spot by the farmer's own county ASCS agent for the farmer to accept or reject, and then he would have four offers.

This program would offer a fair additional money reward for good farming, not a stingy amount of money relief for idle land, as in the soil bank, not large sums of money for surplus control to those on rich land where there is no problem, and only one third as much involved on poor land needing fertility, water, and money to buy them. It would keep the Nation's soil immediately ready for an emergency call by the Government; namely, the Secretary of Agriculture.

The "second market" concept would buy only proved and delivered results regardless of the political power a group might have, or the richness of the soil. It does not pay for storing large amounts of surplus products, nor for large sums for giving it away later.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. HALL was allowed to proceed for 5 additional minutes.)

Mr. HALL. Mr. Chairman, the program pays at a minimum wage, or "parity" level, for the services it buys from the farmer. Any product he grows which yields less net income per acre is at once a surplus, so he shifts farming efforts and the troublesome land into the "alternate market," or "second market" provided by the Government for developing his own soil and water resources to a higher level, or an economic level where he can afford to engage in the law of supply and demand on the open market place.

Since yield per acre, market price, transportation and local costs are all factors in net profit, a change in any one of them can cause acres to be shifted into or out of production under the "second market" concept.

This is far more flexible than any directive delivered from Washington could ever be, because the individual farmer makes the decision on his own farm.

Another result would be a permanent system for agricultural production with little or no competition from off-the-farm people such as rich city dwellers, who use farms as a tax dodge, and who either already own rich land or can restore soil and water resources as an experiment or a hobby to make it so, and thereby gain income tax relief. In our substitute, if the land should become rich, beyond our food and fiber needs, industry can through research and development always find new uses for the products it will grow, or produce at a low cost, to make them into products people will need.

Other uses for any extra land and/or credits could well be environmental controls to hold insects and diseases in check; restoration of wildlife habitat; ponds for farm and community water supplies where nitrate poisoning in wells has become a health hazard; the preservation of virgin stands of grasses and timber; and beautification in general, to name a few.

One final advantage, Mr. Chairman, to the "alternate" or "second market" is that the administration costs will be less.

This amendment provides an authorization for $3 billion. Actually the estimate for needed appropriations is $2.6 billion in the first year of its implementation.

There would only be one crop to measure. Participation would be checked only on those farms selling to the "second market"—that is, to the Government or alternate market. There would be no surplus to measure and give away. There would be no "cost sharing" for fertilizer, lime, terraces, and many other activities now requiring many more people, than were needed a few years ago.

What I have offered Mr. Chairman, is a prescription, mixed and compounded by "men of the soil," a prescription that might not be a complete cure for the situation, but one that could act as a "shot" to help get the patient back on his feet, so that he could do some of his own doctoring, and perhaps not only lick, but even heal his own wounds; thus alleviating the necessity of "round the clock" nursing, from his "big brother" in Washington.

Mr. Chairman, I hope that this distinguished committee will accept this amendment and start on this new departure in the history of farm legislation—and I hope that we can implement these procedures without further delay.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Missouri has presented this basic plan on other occasions. Personally I want to say I think there is much merit in it. I think he pretty well described it the other day when he said that it was an idea whose time had not come—and I do not believe the time has come for this.

I do not believe that it can be enacted into law. I think that to attempt to do so at this hour would confuse the situation and would but jeopardize this piece of legislation which we think can be enacted and will be helpful.

For this reason I urge that we vote down the proposed substitute.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, with the gentleman from Texas, the chairman of the Committee on Agriculture, I agree that there is much merit in the plan offered by the distinguished gentleman from Missouri (Mr. HALL), and I commend him. But it falls short of the farm program, whose time came a good many years ago—the McNary-Haugen program for farmers. It stops short of what ought to have been done with respect to agriculture long, long ago, and that is a cost of production program.

The McNary-Haugen bill provided for cost of production in a two-price system, as the gentleman from Texas I am sure remembers—a bill that was twice passed by the Congress and unfortunately and regrettably twice vetoed—by a Republican President, I am sorry to say.

In my opinion, we never would have gotten into the dregs of the depression of the 1930's had we had the McNary-Haugen plan with its two-price system providing the cost of production for the food and fiber necessary to sustain the people in this country, and the world market or dumping price for surpluses, except a reasonable reserve.

I have heard much today about supply and demand as a determinant of farm prices. Supply and demand has never worked for farmers and it never will in providing constant and fair returns.

We had supply running out of ears in the 1930's in the depression, and we had demand on every hand for the products of the farmers. What went wrong? What was wrong with supply and demand? It was the medium of exchange. Supply and demand will never work for agriculture or for any other element of our economy or our society unless the medium of exchange is in adequate supply and well distributed.

That is the only way that the law of supply and demand will ever work.

The trouble during the depression may be likened to crossing a river. There were not the boats or dollars to get those in need across the river to the farmers on the other shore who had the food and fiber. Neither could the farmers find the dollars or boats to cross the river to obtain the products of industry and labor. That was the failure of supply and demand.

So here we are again with another patchwork farm program, and I support it for what it is worth. But it will never do the job as far as agriculture is concerned. There has also been talk today about corporation farming. Let me tell you where I think that must be resolved—in the State legislatures, and with a graduated land tax. If the States do not want corporation farming, they do not have to accept it. Let them establish the family-size farm, and from there progressively increase the taxes on large land holdings and tax the corporation farms out of existence, if that becomes necessary. That is the way to solve the problem of corporation farming.

Mr. Chairman, I support this bill, for the farmers of America cannot operate today without some protection in an economy that is subsidized and regimented around them.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Missouri (Mr. HALL).

The amendment in the nature of a substitute was rejected.

(Mr. FRASER asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. FRASER. Mr. Chairman, my colleagues have heard a great deal about how our farm commodity programs help the farmer.

But what about on the other end of the spectrum? What about the consumer? What do these programs mean from his standpoint?

I have considered this question carefully and believe the evidence strongly underscores the point that farm programs do benefit the consumer.

Americans are eating better today and for less cost in relation to income than ever before—despite the dire predictions of farm programs opponents down through the years.

Today, our farm programs guarantee the American consumer the world's most stable supply of food, and also help assure high quality. That is a basic reason for having farm programs—to insure an adequate supply of high-quality food. This has been a motivating force for these programs for 35 years, since May 12, 1933, when the first of the adjustment programs went into effect with the Agricultural Adjustment Act.

Payments are the most controversial aspect of these programs, but since payments are an important means of implementing the legislation, let us take a careful look at their value to the public.

First, these payments are necessary in carrying out our national policy of stabilizing farm production in the interest of both farmers and consumers. They

enable farmers to meet national production goals, thus preventing large and dangerous surpluses. We ask farmers to divert this land to conserving uses. They give up income-producing use of some land, and they spend money to devote that land to conserving uses. In return—and this is only fair—we compensate farmers with payments. So the payments are not donated; they are earned.

They are earned just as surely as payments to a computer manufacturer are earned for carrying out a Government contract.

What is the benefit of balanced production?

To the American family, on the average, it means that about 16.5 percent of its take-home pay will be spent on food—the lowest percentage anywhere in the world. British families spend more than 25 percent; the French almost 30; the Japanese more than 40 percent; and in Ghana the figure is almost 60 percent. Americans spend more for housing and home furnishings than for food.

Because American agriculture has become the greatest production plant in the world, it now takes only 1 hour of factory work to buy 3.3 pounds of beef, a half a pound more than in 1960; and it gets him 25 percent more pork, 20 percent more milk and 13 percent more potatoes.

The proportion of disposable income spent for food by American consumers dropped between one-fourth and one-third in the past 20 years. During the same period, the proportion of disposable consumer income received by farmers for the food they produced and sold was cut in half. Today, farmers receive only 5½ percent of disposable consumer income for their food products, compared with 11 percent in 1947.

The Department of Agriculture reports that if farm prices had kept step with increases in the general level of food prices over the past 20 years, consumer expenditures for food would be well over $32 billion more.

Over that 20-year period, consumers would have paid about $100 billion more for food.

The farmer has become so efficient that now one farmer feeds himself and 43 others. Consumers benefit significantly from this because this efficiency releases millions of Americans from agriculture to produce television sets and appliances and razor blades—an infinite variety of goods and services. Our efficiency in agriculture plays a significant role in helping us maintain the highest standard of living any people have ever known.

So I speak today for the farmer in the consumer's interest. For unless his enormous contribution to abundance is recognized—and unless his ability to provide a continuing flow of abundance is safeguarded, then the consumer stands in danger of losing the abundance he enjoys—and takes for granted today.

If we do not adequately compensate the farmer for the abundance we enjoy, then we cannot expect our agricultural system to survive. Central to our national farm policy is our fear of concentrated power over our food supply—our support for a stable and able-bodied rural citizenry.

Early in our history, we split up the big holdings of land that had been granted by kings to their favorites. We gave squatters the right to take over certain lands. We gave publicly owned land to homesteaders and to agricultural colleges. We provided research, extension education, publicly financed credit and finally price support and production adjustment programs. When surplus production caused many farmers to lose their land and threatened all of them with financial disaster, all thinking Americans recognized the situation as a personal crisis for all citizens. Our policy has permitted us to maintain the family-sized farm as the most efficient production unit. This policy must be continued.

Today, Americans should know that agriculture's ability and tendency to produce itself into depression is still a very grave threat to our whole economy.

This is why sound farm legislation is consumer legislation in the most profound sense.

These programs are designed to provide a fair economic return to rural America. We have found that farmers—acting alone—cannot obtain balanced production. We have learned from sad experience what happens when farm production gets out of balance. Farm income goes down. Government costs go up if there is any farm program at all. And America as a whole pays the price.

I think there is more method than madness in some of the blind attacks we have observed on these programs. We have heard the payment provisions attacked as a billion-dollar boondoggle. They have been described as the vehicle on which the farmer takes the taxpayer on the so-called hayride. But the time has come to put the pitchfork in this balloon of fantasy.

Stop and think when you hear these criticisms. What alternatives do the opponents of the program propose? What is their solution? What would they have us do that we are not now doing?

These are embarrassing questions, for there is an all-too-obvious answer. Their proposal is to do nothing. They find the payment provisions of the programs a convenient handle for the whip.

We know what would happen if the programs were lost. Prices and net income would undergo fantastic decline. More than rural America could bear, and still remain a viable part of the economy.

We know that aside from the damage to farmers and consumers, the American business and labor community would suffer a terrific blow. Three of every 10 jobs in private employment are related to agriculture. Six million people work to provide the supplies farmers use for production and family living. In fact, agriculture remains our Nation's biggest industry. It employs more people than public utilities, the steel industry, the automobile industry and transportation combined. About 8 to 10 million people have jobs storing, transporting, processing, and merchandising the products of agriculture. A crippled agriculture would require fewer—not more—workers and suppliers.

It also would require fewer products from industry. Farmers are spending more than $38 billion on goods and services to produce crops and livestock and another $12 billion for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services.

In the best of all worlds, the Congress would be considering a different bill today. Many of us would have preferred an extension of the 1965 act. But we have got to have a responsible bill in this session, and this is legislation we can all work with.

The American farmer is making a great contribution to the health and welfare of all Americans. So will these farm programs. That's why H.R. 18546 deserves our support.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions

and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later, pursuant to the provisions of section 8c(5) (D) of this act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f): *Provided,* That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENTS OFFERED BY MR. POAGE

Mr. POAGE. Mr. Chairman, I offer a series of technical amendments relating to several titles, and ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. POAGE: On page 5, line 8, strike out "delivering" and insert in lieu thereof the word "delivering".

On page 10, line 12, strike the word "section ()". and insert in lieu thereof the word "section (e)".

On page 10, line 20, after the word "Loans" insert the words "and purchases".

On page 23, line 13, after the words "crop of wheat" insert the words "may be reduced by the amount by which the actual total".

On page 28, line 20, after the words "for loans" insert the word ", purchases,".

On page 50, line 1, strike lines through 4 and strike the figure "(2)" on line 5.

On page 50, line 11, and page 50, line 14, strike the figure "(k)" and insert in lieu thereof the figure "(l)".

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Texas.

The amendments were agreed to.

The CHAIRMAN pro tempore. Are there any further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with *"Provided further,* That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: *"Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: *"Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that

the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: Provided, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acerage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community .

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall issue certificates to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates so issued shall not be reduced if the face value as finally determined is less than the preliminary face value.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purposes of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following factors; suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment.

Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive payment for such portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d (b) the following:

"Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat."

(3) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for the current crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the hird sentence the language following the third colon and substituting the following: *"Provided,* That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities," and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. MELCHER

Mr. MELCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MELCHER: On page 11, line 4, insert the following new subsection (c):

"(c) The total average rate of return per bushel made available to producers participating in the program formulated under sections 379b, and 379c of the Agricultural Adjustment Act of 1938, as amended, on a quantity of wheat equal to 208 per centum of the wheat marketing allocation for the 1970 crop, through loans, domestic marketing certificates, estimated diversion payments and estimated returns from export marketing certificates (if such certificates are in effect) shall not be less than 70 per centum of parity."

Mr. MELCHER. Mr. Chairman, I think all of us too often fail to recognize the people who are kind to us and the people who are important to us to let them know we appreciate that, and we appreciate their actions and their consideration. I would like at this time to make it clear to my colleagues in the House and to the chairman of the Committee on Agriculture and to the ranking minority member of the committee, the gentleman from Oklahoma, that I have the highest respect for them, and I believe they have been fair and considerate and knowledgeable on matters of agriculture as we considered them in our committee. I can state as a young Member and one who would like to see changes in the House procedures, that if we had adopted the rule that would permit members of the committee to vote for their chairman, I would have been one of those who would have voted for our current chairman.

I give this as a prelude to the remarks I am going to make, to make sure that all Members understand what I am going to say is not a reflection on the integrity or the fairness or the conduct of the committee.

But, Mr. Chairman, all of this talk we have had yesterday and some today about the 18 months of toil in that committee and about a delicate balance being worked out to arrive at a bill—they are really high-sounding phrases, but they do not represent the facts. This bill is an accommodation. It is an accommodation for cotton. The facts are that after wheat and feed grain, after these sections were chiseled down in the subcommittee and in the full committee, cotton come out pretty well: First, cotton is going to have 400,000 more acres to plant next spring, and second, the price in 1971 and 1972 and 1973 for cotton will be about as good as it is now—35 to 37 cents, and third, skip row will count as set-aside.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The support price will be 2 cents under what it is now. Actually, at 35 cents the price will be 2 cents under what it is now. I do not see how the gentleman can say they will be doing better. I know the gentleman thinks it is a fact.

Mr. MELCHER. I can say to the gentleman from Mississippi, I am interested in the cotton farmer receiving a better return for his product. I would hate to see him get a lesser return.

The bill states, on page 44, at line 20:

The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

With a price of 22 cents, if 15 cents is paid, that would be 37 cents. There is no return after the 15 cents has been paid.

I hope that is the case for cotton, because I know the cotton farmers are struggling, too.

Fourth, skip row is to count as set-aside under the bill for cotton farmers—a distinct advantage compared to wheat and feed grain farmers.

Fifth, last, there is assurance by the Secretary of Agriculture to cotton interests that conservation base acres, which have been greatly reduced in the Southern States and other States since 1966, will not be tampered with.

This is hard bargaining, but it is bargaining not as a group, of the commodity groups, of the old traditional groups of cotton, feed grains and wheat working together to hammer out a farm bill. No, cotton found a lover, and that is the administration, and it left its two old friends, wheat and feed grains, to strike up a romance, and a romance that could have been quite short lived this afternoon if the Findley-Conte amendment had been adopted on payment limitations.

But that was the delicate balance in this bill that was described. That was the compromise that was worked out. The Secretary of Agriculture is to get his set-aside, this set-aside program, in the bill and along with that he is to get low rates on grain, to bring the price of grain down to the world levels.

In return for that mess of pottage the Secretary and the administration, with a letter from the President, were supposed to deliver the votes.

The CHAIRMAN pro tempore. The time of the gentleman from Montana has expired.

(By unanimous consent, Mr. MELCHER was allowed to proceed for 5 additional minutes.)

Mr. MELCHER. In return for that, Mr. Chairman, the President with his letter, the Secretary with his urging were to deliver the votes of the House minority leader and the sheep that follow him to help defeat that amendment, the Conte-Findley amendment.

Well, that is the way it came out.

I believe the committee amendment is a good amendment on payment limitations, and it recognizes some vital points that are extremely important to Montana; namely, wool and State school land, so I am not lamenting the death of the Findley-Conte amendment which treated these two points harshly.

We heard yesterday that there should be no amendments offered to this bill—that would upset this delicate balance, that would throw the bill's fate into jeopardy or kill the bill. That is not quite the truth. It hinged on the Findley-Conte amendment as to whether or not this bill was to be killed .

What we need is a lot of amendments to this bill to do something about grain prices. I have offered one for wheat, and I will support my colleague from Minnesota on his amendment on feed grains.

While everything is going up in this country, while inflation is most cruel to agriculture, while the number of farmers is decreasing rapidly, while wheat and feed grains are selling too cheaply, this Congress is told that we have to pass this bill in this form that will force down the prices for wheat and feed grains.

We do not have the assurance, as cotton does, that grain prices will remain nearly the same. We do not have any assurance and indeed we know that price stability is not in the bill for wheat and it is not going to be in the bill for feed grains and that we will not get an appreciable increase in acreage for our farmers. I would hope that the Secretary's set-aside, if we pass this, works well. However, those of us in the wheat country who have looked at the farms that have been cited by the Department of Agriculture as typical cannot see the increase in wheat acreage that has been touted as a benefit of the set-aside program. We have nothing like skip row in cotton to count as set-aside acres to permit us to grow the same amount of our crop, either wheat or barley, while at the same time setting aside acres as demanded in this bill.

Mr. Chairman, I implore you to heed the talk that we have had concerning the effects of lower farm prices and lower farm income and the effects on our general economy. I implore you to support a reasonable amendment that I have offered to assure the wheat people and in turn the feed grains people by the following amendment the same level of income that they now have. It will not cost more than we are paying on the 1970 crop. It does not improve grain farmers' income as should be done, but the amendment does hold the line for our farm producers rather than lower income as the bill does for grain farmers.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Wisconsin.

Mr. OBEY. I want to congratulate the gentleman on his statement and rise in support of his amendment.

(Mr. OBEY asked and was given permission to revise and extend his remarks.)

Mr. OBEY. Mr. Chairman, I rise in support of the amendment by the gentleman from Montana (Mr. MELCHER). The bill which we have been debating in this House is one which many Americans think pertains only to agriculture—the 5 percent of our population who make their livelihood from farming.

That simply is not the case. While this legislation is called the Agriculture Act of 1970, and while it contains a feed grains program, a class I base plan extension, cotton programs, and other such provisions, the fact is that this legislation has an impact on our entire economy and the entire Nation, both rural and urban.

Agriculture is still our Nation's No. 1 industry. It employs almost 5 million workers and its assets total about two-thirds of the current assets of all corporations in the United States. It uses more electricity than is consumed in the cities of Baltimore, Boston, Chicago, Detroit, and Washington, D.C. It is also, unfortunately, a convenient whipping boy for those, in and out of Congress, who do not understand just what the farm programs are all about.

It is often apparent that some of my colleagues from urban areas continually view farm programs as boondoggles which unjustly enrich the American farmer at the expense of everyone else.

The fact is, however, that farm programs are meant to stabilize food production, to guarantee an adequate supply of food for our people, to provide us with a reserve in times of national emergencies, and to help feed hungry people throughout the world. In most instances our farm programs have succeeded in meeting these goals.

One goal they have not fully reached is the stabilization of farm income at a level which would allow a decent standard of living across rural America.

Farmers have been caught in a vicious cost-price squeeze since 1953. In the past 10 years interest rates have gone up 300 percent and taxes about 200 percent. The parity ratio which describes the relationship between the prices paid by farmers and the prices received by them is equal to its lowest level since 1933—about 74 percent.

I have heard some of my urban colleagues say that the whole farm program ought to be tossed out because some of these programs are not working as well as they ought to. I readily grant that there are many problems with the farm program and there are many problems with this bill, but to allow that the whole program ought to be thrown out because of some abuses is shortsighted. It is just as shortsighted to call for the wiping out of the entire farm program because it has some deficiencies as it would be to call for the total elimination of the model cities program or the medicare program or the poverty program because portions of those programs are not working as well as they should.

I have not been here long, but in the time I have been here I have many times seen urban Members of this House ask for support from rural Congressmen on programs which are not at all understood in rural America. Today I am asking my urban colleagues to turn the coin around. City legislators say, and rightly so, that all Americans are responsible for helping to solve city problems and that rural legislators have an obligation—moral and otherwise, to explain the needs of urban America to rural people. I am simply asking urban legislators to remember that it is also true that every Member of this House has a similar obligation to rural America. Part of the job of a legislator—the most important part in the last analysis is the task of acting from time to time as a public educator to explain distasteful or complicated programs or problems to our

constituents for the good of the entire Nation. And just as I have an obligation to explain the problems of the urban ghetto to my constituents, so do the urban Members of this House have an obligation to explain the complexities of the farm program and the needs of rural America to their constituents.

We cannot afford to have another false division arise in this country caused by urban and rural legislators taking cheap shots at programs designed to aid parts of the country not similar to their own.

Mr. Chairman, this bill before us today does nothing about the threat of huge conglomerate corporation farms and is a poor bill in many other respects. About the best that can be said of it is that it is better than no bill at all. There are some sections which need substantial overhauling. I am most dubious about the weakening of the concept of parity which, up to now, has allowed our farmers to attain some degree of income stability, in favor of an untried formula which may in the end lead to increased production and more surpluses, more Government costs, more confusion and less assistance to rural America.

Serious deficiencies certainly exist in this bill—especially in the feed grains and the wheat sections of the bill. It seems to me that both the amendment offered by the gentleman from Montana (Mr. MELCHER) regarding the wheat features, and the amendment by the gentleman from Minnesota (Mr. ZWACH) regarding the feed grains section ought to be adopted, simply because past experience, especially under Agriculture Secretary Benson should have taught us by now that we need some measure of income protection for the American farmer if we are to stablize farm supply and avoid the surpluses of the past.

This bill needs overhauling, and I intend to vote for these and other amendments which will do just that. If they are adopted, and we are able to make a basically defective bill somewhat more palatable, it will make support for this bill much easier. If they are not, then we will be faced with the question of whether we should vote against the bill, or for it in the hopes that the Senate can make it a better bill. This will obviously be a very difficult choice. Adoption of this amendment could make that choice much easier.

Mr. PURCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this, as is sometimes the case, puts me in a, frankly, very uncomfortable position. The gentleman from Montana is a very highly respected member of our committee. No one works harder. What he proposes to do would be beneficial to the wheat farmers of this country, and we all want to benefit them because they need the benefit and need it more than this bill provides. But I have to speak against this amendment because it would violate what the Bureau of the Budget and the Department of Agriculture and my understanding of what the White House have said they can back in regard to this bill. Provisions very similar to this were proposed at various times during the hearings which developed the bill before us. The present law, which does expire and will not be in effect when the law we are acting on now becomes effective, provides $1.84 as a floor blend price for wheat. If I understand what the gentleman's amendment would do, this would make a floor blend price or floor for wheat of $1.974, and this does not stay within the guidelines of what the Bureau of the Budget has said can be provided for agriculture.

Mr. MELCHER. Will the gentleman yield?

Mr. PURCELL. Yes. I yield to the gentleman.

Mr. MELCHER. I do agree with the chairman of the Livestock and Grain Subcommittee that it would provide legislation for $1.97, but would my chairman answer me this question: Is that not the blend price that exists right now?

Mr. PURCELL. If I remember correctly, that is either the blend price that is in existence now or it is in that neighborhood. This I think is true.

Mr. MELCHER. Would the gentleman further yield?

Mr. PURCELL. Yes. I yield to the gentleman.

Mr. MELCHER. If we should extend the 1965 act, would not this be the price that wheat farmers would receive for their 1971 crop and substantially at the same cost to the Treasury as the 1970 crop would be? In other words the cost to the Treasury would be approximately the same but farmers would receive a higher return?

Mr. PURCELL. Well, if the 1965 act were to be extended, which, of course, is not what we are doing, then, if the administration of the present law continued the same—and it would not have to—then, of course, the expenditure of the Government and the cost of the price of wheat would be what it is now.

But that is my point. These things were tried and tried again during the hearings of the subcommittee that I am honored to be chairman of. This we did not get agreement on because we were not able to pass it through the whole committee in the final analysis, and therefore for the sake of getting the whole bill as it now exists—and I think that is more important than—and I hate to say this—than this amendment would be—I am asking the Members of the House to vote against this amendment.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Mr. Chairman, I appreciate the fairness of the gentleman in supporting the committee bill. If we had not had an agreement and got a balance, regardless of what the gentleman thinks, because we never did get a balance from him, we would not have had a bill at all. And I know that the gentleman in the well would have probably supported this amendment had it been voted up in the committee, and the opportunity to pass the bill with that in it, but the gentleman from Texas has known all the time that we have to get enough support to pass this farm bill.

Therefore I want to congratulate the gentleman from Texas (Mr. PURCELL) regardless of his own views, which he expressed very clearly, in going along with the bill that we now have. And again I want to congratulate the gentleman for the position he has taken right now to stand by the agreement, and in staying with us, and I am staying with it.

Mr. SEBELIUS. Mr. Chairman, would the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I thank the gentleman for yielding, and I wish to associate myself with the remarks of the gentleman from Texas, and I appreciate the remarks the gentleman has made here today, and I thank the gentleman.

Mr. PURCELL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Montana (Mr. Melcher.

The amendment was rejected.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed

grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he findes is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by dought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided*, That except for acreage provided for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

"(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis ofthe following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so estabilshed for each farm shall be deemed to have been devoted to feed grains on the farm in each of the prop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that further reading of this title be dispensed with, and that the title be printed in the RECORD and open to amendment at any point.

The CHAIRMAN per tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. ZWACH

Mr. ZWACH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZWACH: On page 26, line 17, strike the words "together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel." and insert in lieu thereof the following: "when added to the level of the loan established pursuant to subsection (a)(1), will equal not less than 77 per centum of the parity price per bushel."

Mr. ZWACH. Mr. Chairman, I offered this amendment in committee. It was defeated by a vote of 11 to 15. I feel impelled and compelled to point out what I consider a basic weakness in this pres-

ent bill that will result in reduced farm income.

First let me say how fortunate are we and our constituents that we are talking about an abundance, and not about scarcity and hunger. This is most fortunate for us and for our constituents. We are also talking about the miracle people of America, who have enabled us to use less of our income for food than any people at any time anywhere in history.

This amendment will do three specific things that I feel are fundamental.

First of all it will reinsert the parity concept that has been in our farm laws for a long time. Continuously your constituents in the cities send to the country products that we buy—the biggest purchaser in America—at higher and higher prices.

This amendment will allow the producers in America to ride with the punch of higher costs. It ought not to be frozen at a given level when we are assured that freight rates, and there have been three raises recently, and truck rates and taxes and labor and every cost, the input in agriculture, is on the up side.

The second and even more serious defect that this amendment will correct is that it provides for loans at zero percent to 90 percent of parity.

Now, first of all no one ought to give to any administrator who is not responsible to the people the right to set a figure at zero percent to 90 percent of parity. It is not allowed under the present law and it would not be allowed under the law to which we would revert if we did not pass any legislation.

My amendment would not affect in any way the amount of money that would go out to the farmers, to the producers, this year. It would do this. It would give about the same amount of money to the 50 percent of the production that receives payment. But the loan would be increased on the balance. The loan would not go to lower levels, where I expect it to go, at world or below world prices.

The last thing that America needs is less input into its countryside segment.

The last thing that our cities need is less input into the countryside segment.

All of our countryside people will come to your cities and then we will be in the same state that every country experienced before they went down to decay and went down in history.

So this is very important that the loan rate, the ever normal granary rate, the thing that guarantees you as consumers an adequate cushion of supply and provide that we will not need to go hungry.

Mr. KLEPPE. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman.

Mr. KLEPPE. Mr. Chairman, I want to compliment the gentleman now in the well. He has done a lot of work and a lot of thinking on the feed grain section of this bill. He knows and understands it well.

I want to tell him and the Members of the House that I support the gentleman's amendment.

I would like to point out Mr. Chairman, that it is very possible that time will prove the dollars that will flow to the feed grain farmers under the provisions of the bill we have before us will be as good or better than if the amendment is adopted.

The CHAIRMAN pro tempore. The time of the gentleman from Minnesota has expired.

(By unanimous consent at the request of Mr. KLEPPE, Mr. ZWACH was allowed to proceed for an additional 1 minute.)

Mr. KLEPPE. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman.

Mr. KLEPPE. I just want to finish this comment. It is very possible that the provisions we have in the present bill will do as good or better than with the gentleman's amendment. But I want him to know that I do support his amendment.

(By unanimous consent Mr. ZWACH was allowed to proceed for 3 additional minutes.)

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman.

Mr. SKUBITZ. Mr. Chairman, I want to commend the gentleman on his amendment. I shall support it. I hope that we will be more successful with it than we were on the Melcher amendment.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. Mr. Chairman, I yield to the gentleman from Texas.

Mr. PRICE of Texas. Mr. Chairman, on page 25, lines 13 and 14, where it states "average transportation costs to market" it is my understanding this language will be considered by the Secretary in relating grain sorghum loan and supports to corn. It is also my understanding that the intent of the committee is that the Secretary will only use this factor, to the extent absolutely necessary, to keep grain sorghum prices competitive and in areas where there are no freight costs against the grain, it would not be a factor, and in the other areas only on the grain that is transported to markets elsewhere.

Mr. ZWACH. As the gentleman knows, sorghum, barley, and oats are related with regard to the loan exactly as it is to corn. They are set accordingly.

Mr. Chairman, I have one more point I want to make. If the loan rate goes down, the release rate for Commodity Credit stocks will also go down, and we will compound the problem that we are working on here. This amendment would retain a reasonable loan, and therefore would not put into effect a lower release rate of Commodity Credit stocks. I feel that this 1–2–3 approach is tremendously important to countryside America, which just cannot stand further reductions in income.

Mr. NELSEN. Mr. Chairman, I rise in support of H.R. 18546, the Agricultural Act of 1970. As we all know, this massive farm bill contains provisions pertaining to wheat, feed grains, cotton, dairying, bees, peanuts, wool, and other U.S. farm commodities. Like many farm bills before it, it is highly controversial. Obviously, it is not easy to satisfy everyone with such a comprehensive, omnibus package.

But it is important that we recognize it took the House Agriculture Committee and the Nixon administration more than 18 months to sufficiently resolve differences among competing farm voices in order to permit any legislation of this nature to be brought to the House floor. Even as it is, we cannot be certain of adequate support from the powerful urban bloc to pass this bill. Considering these complications, if we do not accept this measure, however inadequate, I do not believe this Congress will enact any further farm program this year. That would be very bad news to a number of farmers who have been utilizing this program in my district.

In my own State of Minnesota, agriculture is our leading industry. According to most recent statistics, among all the States, we rank sixth in total cash farm income derived from agricultural sales. We stand first in the Nation in the production of butter, nonfat dry milk, sweet corn for processing, oats, and numbers of turkeys raised. We stand second in production of American cheese, hay, and sweet clover seed. We stand third in the Nation in production of milk, honey, green peas for processing, and flaxseed. We stand fourth in production of sugar beets and rye. We stand fifth among American States in production of corn, pigs, and barley. We are sixth in rank in terms of our cash farm income, including Government payments, as well as in the production of soybeans and potatoes. Minnesota also ranks among the 10 top States in the production of several other farm commodities.

I am particularly proud of the role of the farmers of the Second Congressional District whom I represent in setting this record for Minnesota. Among all 435 congressional districts in the United States, our own Second District ranks fourth in soybean production; sixth in corn production; eighth in flax, oats, dried milk, and butterfat production.

In 1968, Second District farmers ranked ninth in numbers participating in the feed grains program among all U.S. congressional districts, and 30th in numbers participating in the ACP program.

These accomplishments in Minnesota have been achieved almost entirely by family farmers, not by big, corporation-style operators. But this record of output in itself suggests why so many farmers consider it necessary to have a program of the type we consider today in order to limit production, stabilize supplies, improve market prices and farm income, and build a competitive base on which to expand foreign trade opportunities.

Insofar as this particular bill, H.R. 18546, is concerned, I stand in general agreement with yesterday's observations by our fellow colleague from Minnesota, Congressman JOHN ZWACH, who is one of the most thorough students of farm legislation serving on the House Agriculture Committee.

Certainly, I am pleased at the inclusion in the bill of JOHN'S amendment designed to assure dairymen outside class I dairy marketing order areas of competitive access and equal reimbursement for sales in class I markets. As a dairyman myself, I have long favored the reduction of barriers which have existed to the interstate shipment of quality

milk, and this feature should be helpful to many Minnesota dairymen, particularly since 85 percent of the milk production of the upper Midwest must look to other areas for a market outlet.

There are other improvements relating to recreation, which are commendable.

However, like JOHN, I am much concerned about several provisions relating to the feed grains program in particular. During several previous administrations, we saw Commodity Credit Corporation grain stocks inappropriately dumped on the open market, depressing prices to grain producers, elevator operators, and the entire grain trade. This practice had the effect of making the floor the ceiling on prices under the program, and it was disastrous to farm income. To many of us, this weapon was used to make farmers the scapegoats for inflation and it was ridiculous, since farm prices have remained nearly constant for more than 20 years while every single farm cost has risen dramatically. Yet H.R. 18546 continues the provisions of present law which permit the CCC to dump Government-owned stocks at prices only slightly above Government loan rates. This feature should be changed.

Additionally, as the Farm Bureau has also pointed out, the measure is discriminatory in its treatment of different crops. The cotton set-aside is guaranteed, but the Secretary of Agriculture is given unlimited discretion in determining the amount of set-asides applying to wheat and feed grain producers.

I also share the view that it is wrong to eliminate the parity concept in relation to feed grains, and consider it inadvisable to provide the Secretary of Agriculture with the exclusive right to peg a loan rate from zero to 90 percent of parity.

All attempts to make these changes failed. But in any case, it seems to me we have little choice but to support this package on final passage. The U.S. Government has been involved in the field of agricultural legislation since the 1930's. To pull the chief prop out from under farmers now, without any kind of adjustment period, would in my judgment be ill-advised. Unlimited production without any kind of controls would lead immediately to increased production. Increased production would lead to enormous stockpiles and market gluts. Market gluts would lead to sorrily depressed prices. And further depressed prices would end the farm careers of hundreds of thousands of family farmers struggling bravely to hang on.

Mr. RANDALL. Mr. Chairman, I support the amendment by the gentleman from Minnesota (Mr. ZWACH) because I am convinced the head of this current administration promised almost the same kind of concept in the campaign of 1968. Of course, it is not my duty to assist Mr. Nixon in redeeming his campaign commitment. Yet, as a Member of Congress that has supported every piece of farm legislation since coming to the Congress in 1959, I know that several former Congresses have indulged in the implied promise made to our farmers that we would continue to provide them with a program which contained the concept of parity.

Oh, I know there has been no expressed covenant written out and resolves in a resolution by Members, but nonetheless all the programs in the past have contained in one form or another the concept that when the cost of production of farmers goes up, in other words the things they have to buy goes up, then the Government farm program carried a clause which would make up this difference.

No matter how we try to soften the language to describe our commissions and failures if we do not write in the concept of parity in H.R. 18546, known as the Agricultural Act of 1970 then we are reneging on our previous commitment. In other words, we are welshing out on our farmer promise.

Mr. Chairman, parity is something that may be a little difficult to explain to the city dweller. Synonyms of the word includes such words as equivalence, similarity or approximation. By definition the concept has been defined as a condition as being equivalent. As the word is used in agricultural programs it means the equality of purchasing power maintained from time to time as conditions or circumstances change.

It is not hard to understand why the parity feature was not written into the bill. To do so would have been to buck a powerful combination including the Bureau of the Budget, the President of the United States, the Secretary of Agriculture, and several members of the Agriculture Committee who seemed to think they had to go along with the views of the administration.

I support the parity amendment because, first, it is a reasonable amendment providing for 77 percent of the parity price per bushel. Moreover, it is fair. If we are going to have a farm bill that will be of any value in terms of increasing the income of the farmer then the parity concept must be adopted. Mr. Chairman, I strongly support the amendment by the gentleman from Minnesota (Mr. ZWACH).

Mr. PURCELL. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. PURCELL. Mr. Chairman, I suppose that with honor comes some unpleasant moments. Sometimes I do not know which is worse or worth the most.

Nothing would please me more than to vote with the gentleman from Minnesota and others who have spoken in favor of this amendment. But again, as I said a moment ago, in regard to the amendment to the wheat section, this is a provision that was fought long and hard in our subcommittee—and it prevailed there, incidentally—and it was heard in great detail before the whole committee.

This concept, this provision, was turned down there, and it is the responsibility, I think, of those of us who feel that we must have a farm bill to maintain the whole farm picture rather than to succumb to the temptation of voting for some of these very attractive amendments at this time. This bill does, for the first time in recent years, not follow the concept of parity. This is a very important factor to the farmer. It is just as important to those of us who feel that we understand that, but inserting 77 percent of parity in this bill at this time would make the other sections be less in balance than they are, and regretfully I feel that all of us who want a farm bill for all America should vote against this amendment.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to my colleague from Texas.

Mr. KAZEN. I could not follow the gentleman's reasoning in saying that we would not have a farm bill if this amendment were adopted.

Mr. PURCELL. I can assure the gentleman that we will not have one whether he follows my reasoning or not if this amendment is adopted.

Mr. KAZEN. Will you explain that to me? I cannot understand why we would not have a bill.

Mr. PURCELL. As I explained a moment ago, the Bureau of the Budget has disapproved this concept, the Secretary of Agriculture has disapproved this concept, the House Committee on Agriculture has disapproved this concept, and I can assure the gentleman that some very significant support would go away from this bill if that concept were accepted. I am sorry to have to say that.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentlewoman from Washington.

Mrs. MAY. The gentleman has said that often with honor come unpleasant moments. Oftentimes also positions, honor, courage, and statesmanship go unnoticed. I would just like to point out that the gentleman in the well, Mr. PURCELL, the chairman of the Subcommittee on Livestock and Feed Grains, is taking a position of great statesmanship and courage. As the ranking minority member of his subcommittee, I know full well that he and the others of us on that subcommittee worked long and hard to incorporate provisions into the wheat and feed titles that today we must vote against in the interest of passing a farm program. I would like to thank the gentleman for showing this type of leadership, and I deeply appreciate it.

Mr. PURCELL. Mr. Chairman, I thank the gentlewoman from Washington.

Mr. ZWACH. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield briefly to my very good friend, the gentleman from Minnesota.

Mr. ZWACH. Mr. Chairman, I would like to say to my fine chairman of the Feed Grains and Livestock Subcommittee, with whom we have worked so long, I think the gentleman has made a fine argument for this amendment.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Mr. Chairman, I would say the gentleman has made a good argument for this amendment, but if he had made that 2 or 3 weeks ago in the committee, there would not be a bill

on the floor today. I think the gentleman in the well gave up more things that he wanted than almost any member of the committee. He did that in order to get out the bill.

We do that to get out a bill, to get agreement. We all have to give up some things to get it to the floor. When we get to the floor and start as individuals to try to get back those things we wanted, which if we had gotten them in the committee would have resulted in no bill, I do not think that is quite playing fair with the rest of the committee. But I congratulate the chairman of the subcommittee, the gentleman in the well, for his fairness and his steadfastness in supporting this bill, which we all agree to.

Mr. PURCELL. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I ask that this amendment be defeated.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Wisconsin, Mr. ZWACH.

The amendment was rejected.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided,* That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided,* That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basic of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): *Provided,* That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, or other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton: *Provided,* That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grain considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cot-

ton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided,* That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such a year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e)(1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster: *Provided,* That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary dtermines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

"(4) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 303. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided,* That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89-321 (79 Stat. 1210) is amended as follows:

(1) By adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the

words "or the Agricultural Act of 1949, as amended,"; and

(2) By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that this title be considered as read and printed in the RECORD and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, many of my colleagues have asked me where do we go from here with respect to the $20,000 payment limitation? I would like to say a few words on what happened here today and where we go from here. We may have lost a skirmish but not the main battle.

I, for one, am going to vote against the entire farm bill.

The battle is still not lost. We still have the agricultural appropriation bill which is in the Appropriations Committee. It will have to come to the floor of this House, and it has in it an amendment limiting farm subsidies to $20,000, passed by the Senate. At that time, if I am recognized, I am going to move that the conferees be instructed to accept the Senate amendment.

Second, we have this bill. If it passes and goes to the Senate, it is possible the Senate will not accept the $55,000 limitation and will cut it down to $20,000, in which case again when the bill comes back here, we will have an opportunity to make a motion to instruct the conferees.

One of the things that was proven beyond any reasonable doubt here today was the strong argument we had last week for the recording of teller votes. How could 70 or 80 or 90 votes for a $20,000 limitation per farm disappear over a year's span, or even a 2-year span, when this House twice, on record votes, voted a much tougher limitation than the one we had today. The one we had today was $20,000 per crop and not $20,000 per farm. If anything came out of this debate today, it was a need for change in the rules for teller votes. Teller votes must be recorded, so as to prevent all types of ball games as we witnessed today. I am sorry that some of the strongest advocates of this rule change, did not see fit to come here today for the teller vote on my amendment.

Mr. PRICE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the Chairman a question. It is my understanding that, based on current prices for cotton, the loan rate under this bill would be set at 18.7 cents for the 1971 and 1972 and 1973 crops.

Mr. POAGE. Yes, I believe that is correct. I believe there was a discussion of various other levels.

Mr. PRICE of Texas. I thank the Chairman.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

I will not take 5 minutes, Mr. Chairman, but I want to clear up a little bit of a mystery in the mind of the gentleman from Massachusetts (Mr. CONTE) about how his votes disappeared. I voted for the $20,000 limitation last year, and I voted against it this year, because Mr. CONTE made just one too many speeches and convinced me I had been in error in voting with him the first time.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the Committee on Agriculture, I rise in support of H.R. 18546, generally referred to as the farm bill. This connotation, of course, carries a certain amount of truth. But, I call to the attention of the Members of the House that the subject encompasses far more than farm legislation. For emphasis, permit me to remind the Members of the House that agriculture is the single, largest customer of industry in our entire economy. I remind you that statistics show a rapidly declining farm population. This has been brought about by economic factors which prove that the average or small farmer is no longer receiving a fair return on his investment of time, money and labor.

H.R. 18546 does not include certain features which I think would have been most desirable for an ideal farm bill, that is, the concept of parity and further, a floor under parity supports. But, I have come to the conclusion, Mr. Chairman, that in the precarious position that the American farmer is in today, the bill before us is far better than no bill at all. Therefore, it is my intention to support it in the hopes that it will eventually replace present farm legislation which expires December 31 of this year.

To my urban friends who are Members of this body, I ask you to think carefully regarding the need for farm legislation. To those concerned with the problems of the ghettos, I reminded you that many of these problems have been created by a mass migration from the farms of the South and Midwest to the crowded areas of your cities. To those of you who are duly concerned with the plight of the poor and believe that the food stamp program is rendering a great assistance to this underprivileged group, please consider that if American agricultural production sinks to a level where we would find ourselves with an acute shortage of food, then obviously, food stamps would become worthless.

So, I ask you for these and other considerations, to join with those of us concerned with American farm problems in passing and sending on to the Senate, H.R. 18546.

(Mr. JONES of North Carolina asked and was given permission to revise and extend his remarks.)

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: *"Provided*, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secretary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to

participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review applications of farmers for the public land use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. The term 'rural areas', for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note); is amended to read as follows: "This amendment shall be effective for the 1957 through 1973 crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of his section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that this title be considered, read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. SCHERLE

Mr. SCHERLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHERLE: On page 52, line 3, strike out the word "1973" and insert in lieu thereof the following: "1973, in order to achieve a goal of 10 million acres each year,".

On page 55, line 22, and page 56, line 3, strike out the figure "$10,000,000" and insert in lieu thereof the following: "such amounts as the Congress may provide annually in appropriations acts,".

(Mr. SCHERLE asked and was given permission to revise and extend his remarks.)

Mr. SCHERLE. Mr. Chairman and Members of the House, as a working livestock and grain farmer—I have an understanding of agriculture. For a long time it has been my conclusion that if we could offer the farmers of this country a dual approach to a farm program perhaps we might be much closer to a solution of the present farm problem.

The two approaches would actually give the farmer opportunities to participate in either a retirement or feed grain program.

As provided under the law at this time, we have what is known, under the feed grains section, as a set-aside program. My proposal would include a long-range retirement of acres. This in essence would cut down on production and alleviate some of the problems caused by our crop surpluses.

This is similar to what we now have under the set-aside program and as this bill implies, would help us to reduce the cost to the farmer himself, because he would participate just about the same as he is now. He will retain his machinery. He will buy his fertilizer. His cost will remain the same because he will still be in a position of operating his own farm. He will contribute not to a surplus but to a reduction, because by receiving his payments through a farm program he will not produce as much as if he were turned loose.

Last but not least, he would still be an asset to the community in which he lives, because he will not retire his entire farm, but just a portion as he did under the feed grain program.

I would also support a return to the concept of the advance feed payments. The elimination of it this year caused many hardships to both the farmer and the other members of the agribusiness community.

The other approach I have in mind is one talked about for many years, a long-range retirement system of taking out additional acreage. Various farm organizations have talked about $40 million or $50 million or $60 million. Under the present bill now offered to us in the House, there is a simple pilot program of acreage retirement of $10 million.

Well, gentlemen, a pilot program of this nature involving $10 million would not take any more than 500 acres out of production at this time. It is infinitesimal and would not serve any purpose at all.

The average farmer today in the United States is about 55 years of age. Young people face great obstacles in getting into the farming trade. High interest rates, huge operating expenses, and the difficulty in obtaining labor are just some of the barriers facing the agricultural producer.

In establishing a long range retirement a farmer and his family can reside and retire on that farm. They would not have to move into the city, thus adding to the urban problems existing today. Furthermore, the farmers' opportunities there are limited. His skills are not as marketable. This man is entitled to his birthright, and should be allowed to stay on the farm. If we have a farm

program as here envisioned, he would be allowed to retire on the farm. This system would be based primarily on age.

In addition, if your mail runs about the same as mine, you know that we find many farmers today whose sons, because of the pressure of service, have to leave the farm and serve in the military. That would be my second priority with regard to land retirement. Surely the local county ASC committees can work it out. A simple system such as we have with regard to these two programs, the feed grain program and set-aside program, will help take care of this. The farmers would have an opportunity to decide for themselves what they want. We will cut down on the surplus in the marketplace. They can retire on their own farms and they will not be a burden on the cities.

Ladies and gentlemen, I think by giving the farmers this kind of an opportunity this will be the first phase of a new approach to the entire problem. Under the old cropland adjustment program, which expires this year, many people would make application for this.

All of this land would not go out of one community and thus cause a problem as far as the merchants in that area are concerned. This would also fall under the jurisdiction of the local ASC committees. Here for the first time we would have an approach to taking 10 million acres out with a new system. This comes in addition to the present feed grain program and the farmers have an opportunity here that they never had before to choose which approach they want.

Mr. Chairman, during the current fiscal year final payments will be made on the last conservation contracts. Cost of the program was $2.6 billion.

While that $2.6 billion over a period of 15 years represents only about two-thirds of the annual cost of current commodity payments programs, it is a sizable expenditure of funds. Taxpayers have a right to know whether the results justify the expenditures.

Probably one of the best summaries of the results of the conservation reserve can be found in the hearings of Senate Appropriations Subcommittee on Agriculture for fiscal 1970. On March 28, 1969, Carroll G. Brunthaver, acting ASCS Administrator, inserted into the RECORD the following:

> On the basis of a field survey early in 1966 on the use of land on which conservation reserve program contracts had expired at the end of 1963 and 1964, it has been estimated that about one-half of the former conservation reserve acreage has remained in protective cover (grass, legumes, trees, or water storage areas.) Therefore, it is estimated that about 14 million acres of permanent land use adjustment (to conserving uses) has been accomplished. Of the latter, about 2.1 million acres were planted to trees and about .3 million acres were covered to wildlife habitat and water storage.

This means that, while it cost some $2.6 billion over 15 years to retire up to 28.6 million acres of cropland for varying periods of time, 14 million acres of land which might otherwise be in crop production are in soil building or soil and water conserving uses—even after the program is over and no more payments are to be made.

Present authority for CAP expires at the end of 1970. The so-called Hardin consensus bill includes only a small authorization for CAP. In working on a new farm bill, the House Agriculture Committee has tentatively agreed to cut back the authorization for CAP from $225,000,000 to only $20 million.

There is no evidence to support the statement that an expanded CAP would create "ghost towns." In fact, there is evidence to the contrary. Between 1955 and 1960, the big soil bank years, the farm population declined 13 percent. Under annual diversion and income support payments farm population declined 17.1 percent between 1960 and 1965. Between 1965 and 1970 it declined 16.7 percent.

Whole-farm retirement would reverse the current trend toward a decline in rural population. Under current programs an undercapitalized, older, or physically impaired farmer finds himself in a position of having to sell his farm—usually to a neighbor who uses the farm to expand his operation. Generally this means that the farmer selling out not only leaves his farm home but many times has to leave the community entirely to find occupational alternatives. Under CAP a farm family could retire their land and remain in their farm home. With the annual retirement payments they receive each year for the life of the contract as a base of income, they would be far less apt to be forced to leave their community. While they would not be customers for machinery and supplies as before, they would remain customers of the soft goods and service industries of the community and would continue to support local institutions such as schools, churches, and recreational facilities. In essence, a land-retirement family in a community of the future, is much better than no family at all.

In the past, quite understandably, urban Congressmen have been reluctant to vote for programs that seemingly "pay farmers to do nothing." But with a growing awareness of the importance CAP can play in fighting pollution, conserving natural resources, and maintaining open spaces—and especially when CAP can serve as an alternative to huge compensatory payments under present commodity programs—this attitude can and is being changed. Passage of adequate funds for the CAP program should be properly considered as an investment in the future of this country.

Mr. PURCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it was not my intention to say very much throughout the consideration of this bill. The provisions in the law we are considering and that the gentleman from Iowa is speaking of involves a pilot project which again was worked out in great detail so as to have it limited. Up to 10 million acres taken out would be going back to the old soil bank days. This would bring about the danger of grazing on subsidized land and bring cattle production into an off-balance situation. Again, this goes past the provisions that have been thoroughly thought out by the committee. It will provide areas of wild weeds, and jackrabbits would have a field day on unkept land, and we would have 10 million acres of land with rodents running around infesting that land and other areas adjacent to it. In my mind and in the minds of many of us who have given a great deal of study to this, this is the best way to give the final death knell to many agricultural communities.

I understand what the gentleman said, namely, that it would take out old farmers and let people have a place to live. Some of these people have their children going off to the military for service, which is true. The fact remains that you take purchasing power away from rural agricultural America. This is the most devastating thing that can be done to the rural areas.

Mr. SCHERLE. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Iowa.

Mr. SCHERLE. Mr. Chairman, I thank the gentleman for yielding.

The gentleman mentioned in his statement that the fields would grow up to weeds, and that the rodents would be running around. That is illegal under the present system now. All these acres under diverted acres cannot be grazed, they are diverted acres, they must be mowed, the weeds have to be kept down, so I do not think the statement the gentleman made is necessarily correct.

Mr. PURCELL. It is against the regulations to let the soil bank acreage grow up to Johnson Grass and cockleburrs, but the facts are they are growing up to Johnson Grass and cockleburrs, and that is the area where rodents are developing.

So I cannot help what the regulations are—they are not being enforced now, and I do not believe they would be in the future.

Mr. SCHERLE. If the gentleman will yield further, I think that is a policy that should be enforced at the county ASC level, and in our county in my State they can be assessed a fine for doing that, and that is not the habit insofar as the State of Iowa is concerned. Those lands are kept in good shape. If they are not in Texas, then it is the fault of the local system.

Mr. PURCELL. I might say to the gentleman from Iowa that maybe we in Texas grow better Johnson Grass and cockleburrs than they do in Iowa. But I have found this to be very devastating, and I would emphasize also the effect that this approach has to the rural communities, to the towns it takes out, and of families being removed from the area.

Mr. KLEPPE. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from North Dakota.

Mr. KLEPPE. Mr. Chairman, I thank the gentleman for yielding, and I want to associate myself with the remarks of the gentleman in the well because I think the gentleman has explained the details that we went into in our subcommittee on this question.

I just want to be identified in opposition to the amendment.

Again I thank the gentleman for yielding.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Arizona.

(Mr. UDALL asked and was given permission to revise and extend his remarks.)

Mr. UDALL. Mr. Chairman, with or without limitations on support payments American agriculture is in trouble. We in Congress should be very cautious how we rock the boat in these stormy seas.

Before making the tough decisions posed by this bill we ought to take a long, hard, unemotional look about where we are going and what these decisions mean. When we talk about agricultural policies and payment limitations we tend to think in terms of dollars or theories or laws. These things are important but we also ought to be thinking in terms of farms and people and the economies of our States and regions. In this spirit I want to talk a little today about a place most of my colleagues have never heard of.

It is called Pinal County, located on the fertile desert plain between Phoenix and Tucson. It is populated by 65,000 fine people whom I have the honor to represent.

Among the seven counties in Arizona which produce cotton, Pinal would be hit hardest by a $20,000 payment limitation. Of the State's 210,913 acres of upland allotment, Pinal has 82,021. The $20,000 limitation would drop this to 47,468 acres.

In Pinal in 1969, of the counties 433 farmers, 228—52 percent of the total—drew checks of more than $20,000. With the amendment, therefore, we are aiming a gun directly at more than half the farmers in this one Arizona county. In that same year there were 79 farmers who drew more than $55,000 and are, therefore, threatened by the bill as it currently stands.

As we debate here today, then let us remember that we are talking about farmers whose investments and careers may very possibly be wiped out. And if you wipe them out you are going to deal heavy blows to towns like Casa Grande, Coolidge and Eloy whose economies are largely farm-based.

Of all the personal income in Pinal County, 86 percent comes from labor. And of this labor income you can attribute more than 25 percent to agriculture. We are today threatening to drastically reduce this heavy labor dependency on agriculture and perhaps send more people packing for Pheonix, Tucson, and other metropolitan centers.

Even without payment limitations the cost-price squeeze has seen some 25 percent of the county's farmers go out of business between 1964 and 1970. Meanwhile, those left are trying to diversify away from one crop agriculture. They need time to do this. We are going to cut many farmers incomes in this Congress. We ought to think carefully before cutting below the bill's $55,000 limitation.

The prices received for products by almost every segment of our economy have gone up in the last 20 years. Only farmers receive less; while the prices they pay go up. The prices they get go down. In 1950 cotton prices were 39 cents per pound; the figure today is about 22 cents.

Before we leave Pinal County let me tell you about some of these huge farming operations. One of them last year received more than $335,000 in price support payments. The name of this farm is Ak-Chin Farms. Now before you get outraged at this Ak-Chin payment of $336,796 let me tell you just who this "farmer" is.

In the first place, it is not a "he"; it is a "they." "They" are 300 Papago Indians who were advised to pool their lands and talents and energies. They did and they put their tribal lands into Ak-Chin Farms and today it is the only industrial enterprise on the reservation. It grows cotton, grain and cattle. It employes some 90 Indians. Thanks to Ak-Chin Farms per family income has risen to $4,200 a year which makes the Ak-Chins better off than some of their Indian brethren. The Ak-Chins own and operate this enterprise. They face the same price squeeze hitting farmers everywhere. In addition, their groundwater table keeps dropping so pumping costs rise. The last thing they need at this point is a slap by Congress.

Then there is a Gila River Farms and you might be shocked by this outrage because it received $303,898 in support payments. Is this a big fat corporation of absentee landlords? No, it is a combined operation, similar to Ak-Chin, put together by the Gila River Reservation Indians. And so it goes with the Salt River Pima-Maricopa Indians with a like operation in Maricopa County and a somewhat different but equally complex arrangement on the Colorado River Reservation in Yuma County where the Indians have chosen to lease out agricultural lands to non-Indian growers who pay the tribe rent and who employ some tribal members.

Pinal agriculture is, of course, not limited to Indians. One of my old grower friends called me recently to say he is now selling insurance—life not crop. This is a man who loves to farm, who has devoted his best years to a career in farming, who farms well, and who last year received more than $100,000 in ASCS payments. He is selling insurance to make ends meet and if you knew this man and his family you would mark him as one well steeped in the old American virtue of thrift. Now he contemplates even tougher blows, a reduction in the amount of payments he can receive for his cotton.

These cotton farmers are in trouble because the cost of growing cotton is about 32 to 35 cents a pound. The market price is about 20 cents a pound which, together with the payments, brings a return of 35 cents a pound—equal to or only very slightly above the farmer's actual costs.

Let me tell you about another Pinal operation, one near Eloy. A construction worker purchased 160 acres back in 1936. Over the years he expanded his operation to a 4,500-acre farm with 15 irrigation wells. When he died in 1966 his widow continued the operation.

Writes the company's bookkeeper in a plaintive letter:

> We produce about 3,000 bales of cotton, 1,000 acres of wheat and 500 tons of barley annually. There are about 25 steady employees composed of one Negro, 12 Papago Indians, 12 of Mexican derivation and I am the 'Anglo' with the title of bookkeeper. Many of us have been employed for 20 years.
>
> Any limitation under $150,000 will put us out of business.

Let us remember we are dealing today with not just the owner of this farm but its management and its employees.

While not all of Pinal County's farmers are Indians or potential bankrupts some of them are. And when we use a meat-ax approach to payment limitations we hurt the kind of people I am talking about just as well as we hurt the rich farmer caricature so often set forth in the press.

The gentleman from Illinois and the gentleman from Massachusetts who have been so closely identified with these payment limitations are both friends of mine and men I admire. I mean no criticism of them and their motives when I suggest that it is a lot easier to be indignant about big farm payments when you come from the kind of States they come from than when you represent a place like Pinal County.

Let us compare the effects of the $20,000 limitation in my State compared to Illinois and Massachusetts.

Bear in mind that cotton, in order to be produced in my State, must be grown in large units to achieve the greatest efficiency. This is true even with unlimited program payments. The high cost of water and mechanized production and chemicals needed to raise a product that sells below cost creates problems for this industry that are sometimes not understood in other areas. Agriculture in Arizona labors under handicaps not present in Illinois and other States. In Illinois, for example, agriculture is prosperous on the smaller units which are self-sustaining to a large degree. Many of the inputs do not have to be purchased from industry but are produced on the farm. A hog operation in Illinois is dependent almost wholly on the feed that can be grown on the same farm.

Let us compare the corn program with the cotton program for a minute. In corn the Government loan itself is more than the cost of producing corn. On the other hand, the loan program for cotton is a great deal below the cost of production. So the payment on corn is in a sense a clear profit. But in cotton when the payment is added to the loan the return is at best only slightly above cost.

Yet the limitation rifle shoots at the cotton farmer simply because he must be large to produce efficiently.

What happens in Illinois under a $20,000 payment limitation? The entire State's payment totals $184,659,834. A $20,000 limitation would only reduce this by $1,422,612 or 0.75 percent. Compare this with what happens in Arizona. Out of a total payment of $44,233,878 we would lose $23,263,499. That is more than 52 percent.

The subject of payment limitations, if you come from Massachusetts, is almost academic. Its total payment last year was $86,430—note that carefully. This happens to be the same amount the State would get under the amendments pro-

posed because the fact is there is not a single farmer in Massachusetts who would be affected in any way.

I would like to make one thing perfectly clear—if I may borrow that expression. I have been critical of farm programs for a long time. In fact, not too many years ago I wrote a piece advocating that farm programs be phased out and even had legislation drafted to do just that and to return to free agriculture over a period of several years. But if the Congress decides that our farm programs are unsound and that farm subsidies are bad, then let us go to free-market farming and be done with it. But let us not back into such a decision by refusing to face the issues and the injustices squarely. If we are to have free enterprise farming, fine, but let us not entertain half-way measures which merely penalize the big efficient farmers who do the most for the consumer perhaps forcing them into bankruptcy while continuing to subsidize small and inefficient operators, who make consumer prices high.

I have never really understood the philosophy behind the payment limitation sponsored by my two distinguished friends. I would really like to ask them a question and do it by way of an analogy.

When society decides that a road should be built it takes land by condemnation if necessary. Suppose it happens that on one farm the new road will go right across and take 100 acres, while on an adjacent farm the road just cuts across a corner and takes only 10 acres.

Society determines that each of the owners should be compensated for the land taken, and the first farmer can go to any court in America and get ten times the amount paid the second farmer.

Now that same society may determine that we ought to limit agriculture production—set aside some farm land from production. My friend from Illinois says that is fine and we will compensate the farmers. However, he says the small farmers should be paid for all the land set aside. But the big farmer is paid for only some of the land he no longer uses to grow crops.

Is that fair?

The times have placed an enormous responsibility on those of us serving here today. What we do has a great effect on the future or even if there is a future, one could say.

One of our chief concerns is the realization that the Nation has a fast-growing population in a world of too-fast growing population. We hear talk of worldwide famine by 1975, of greater and greater stress between the "haves" and the "have nots" of the world and among our own people. Even in our own country, as one of the committees heard last year, "One of the most frightening processes at work in America is the increased intensity of competition for resources of all kinds. Competition for land brings out the essential features of this phenomenon."

Let us exercise some caution here today but not overreacting in such a way as to make things tougher for a lot of people big and small, rich and poor as they try to fit themselves into a changing social and economic life.

The Indian enterprises I have mentioned, the other growers and the small agriculture-based towns of my district are racing to diversify their operations and their economies. The towns of Pinal County, for example, have established industrial parks in partnership with the Indian tribes and are working hard to attract manufacturing and service enterprises.

These fragile economies need time to strengthen so it behooves us to be mindful of new problems we may impose.

Mr. PURCELL. Mr. Chairman, I ask the Members to vote against this amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Iowa (Mr. SCHERLE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. RAILSBACK

Mr. RAILSBACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAILSBACK: On page 55 in title VIII, delete subsection (10) beginning on line 15 and ending on page 56, line 9, and insert in lieu thereof the following new subsection (10):

"(10) By striking out the last two sentences of paragraph (7) and substituting the following: 'The Secretary shall not during any calendar year enter into agreements with producers hereunder covering more than six million acres of cropland plus the number of acres of cropland by which agreements entered into in calendar years 1971 and 1972 cover a smaller number of acres than authorized for such years.' There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act."

Mr. RAILSBACK. Mr. Chairman, and Members of the Committee of the Whole: our amendment is directed at what we feel is inadequate appropriations or authority in long-term retirement programs.

I would direct the attention of my colleagues to page 58 of the committee report and to the first full paragraph thereon. I quote:

There is an urgent need to conserve and improve the natural resources of our farmland—Soil, water and woodland—and to provide more opportunities for recreation, improve wildlife habitat, and help abate pollution. There are also many farmers throughout the country who need to retire from farming but are unable to do so without assistance.

Under our amendment, up to 6 million acres per year could be subjected to long-term retirement agreements for the purpose of promoting the conservation and economic use of land and of assisting farmers who because of advanced age, poor health or other reasons desire to retire from farming.

Under the present cropland adjustment program, local public agencies can be given Federal grants to assist in acquiring cropland for open spaces, natural beauty, wildlife or recreation facilities, and prevention of air and water pollution. This fine program, the Greenspan program, according to the table on page 59 of the committee report accounted for only 7,740 acres across the country in 1966–1967, the last year the program was active. These are acres with a purpose. We propose a reemphasis on this program.

A related program is the cropland conversion program whereby agreements are effected with producers to convert designated cropland to other income producing uses, such as grazing, recreation, wildlife, and other conservation uses.

The chart on page 58 of the committee report gives a revealing insight as to how little of the total of 59.4 million acres under diversion is due to either the Greenspan or the cropland conversion program. Less than 50,000 acres, or in other words, one one-thousandth, was under the cropland conversion program last year. We think that these two programs which have been obviously slighted, are designed not just to take land out of production, but to put it to a positive socially beneficial use, and we want to reemphasize these very desirable programs.

The USDA's original bill called for increasing the cropland conversion program budget from $10 million to a new level of $50 million per year. The Farm Bureau proposed a mandatory retirement of 10 million acres per year for 5 years and a total of 50 million acres. There is, unfortunately, no such program in the commmittee bill. We need land retirement to help fight pollution and to preserve nature. We need it to assist smaller farmers to give up some of their land and to be able to retire on what is left. We need it for many reasons, but the only way it is adequately treated in the committee bill is to pay farmers under the commodity programs.

Where the committee has in its own words "limited both the Greenspan and the cropland conversion programs"—see page 58 of the committee report—we seek, instead, a reasonable expansion of these programs. Our amendment would make possible the long-term adjustment of a total of 18 million acres of cropland.

Under present cropland adjustment agreements, the average per-acre cost to the Government has been about $20. This is a rather reasonable cost I am sure all would agree. If an increase to about $25 an acre could be expected, and it may be, under our amendment the maximum total cost would be $150 million, and that could provide a maximum of 8 million acres each year for retirement.

I would remind my colleagues that what we are talking about are not brand-new programs, they are existing and proven. Under the old law a ceiling of $225 million was in effect. The committee has provided only $20 million in its bill. We propose, instead, an open-ended authorization but with a limitation on the amount of acreage. These programs have been on the books and the machinery is there to operate these programs at a realistic level. We are not talking about giveaway or wasteful payments; these are reasonable and needed efforts to take cropland out of production and put it to use in conservation and other ways of benefit to rural communities, not just to one businessman or farmer.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to compliment my colleague, the gentleman from Illinois, on offering this amendment. It represents a definite improvement in the act, for several reasons. First of all, it is a way to bring about resource adjustment, preserving freedom of planting for the farmer on remaining acres.

Secondly, it brings about this resource adjustment at a price to the taxpayer just a fraction of what such adjustment costs in other provisions of this act.

Mr. Chairman, I compliment the gentleman and urge support for his amendment.

Mr. RAILSBACK. I want to thank my friend and colleague, the gentleman from Illinois.

Mr. PURCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, again I could just say what I tried to say a few moments ago in regard to the amendment offered by the gentleman from Iowa (Mr. SCHERLE).

This is the Farm Bureau approach to retiring acreage and retiring farmers—and it will accomplish both. It will retire acres, to be sure, and retire farmers, too.

I would agree with my colleague, the gentleman from Illinois (Mr. FINDLEY), that he and the Farm Bureau will retire these farmers about as fast as any system that has been worked out.

This is an approach that will violate the grazing balance that this country has.

This will, from a political standpoint, I can assure everyone who is concerned about it, bring into play the cattle people who are very concerned about things of this kind.

It is not in agreement with the budget. We have had an agreement on it to this point, and about the same reasons that have been stated before with regard to increasing this farm retirement concept would apply here.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Illinois.

Mr. RAILSBACK. I thank the gentleman for yielding. I want to say to the gentleman that originally my draft of the amendment contained a provision which would strike, I think it was called, the Price amendment, which would prohibit any grazing. Upon reconsideration, I took that part out, so actually the so-called Price amendment, which relates to grazing, would still be in effect and grazing would not be permitted on those retired acres.

Mr. PURCELL. I understand that, but when you have retired acres sitting around to the extent of 6 to 10 million, it is hard to convince cattle people that they will sit there forever and grazing will not be developed on them.

Again, Mr. Chairman, it is an area that has some appeal, but this is a part of the bill that has been worked out in great detail and has the kind of balance that, if it can be held, will provide for the American farmer a program and the consumer the kind of protection that is the best we can get at this time. I ask for defeat of the amendment.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN pro tempore. The gentleman from Illinois is recognized.

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Chairman, let me first commend the distinguished chairman of the committee, the gentleman from Texas (Mr. POAGE) and the ranking minority member, the gentleman from Oklahoma (Mr. BELCHER) for their diligent labors in producing this compromise measure. Considering the number of conflicting views, the force with which they were presented, the variegated nature of the agricultural economy, and the complexity of this legislation, it is quite miraculous that any bill was agreed upon at all. Obviously, few are entirely happy with this bill, but that is generally the fate of compromises on vital issues. I certainly would have liked to have seen a number of changest, yet I rise in support of this bill because the alternative would be, as the Secretary of Agriculture and the distinguished committee members have pointed out, a reversion to unworkable and possibly disastrous arrangements contained in the permanent law. This bill will allow us to avoid such uncertainty and ill effects, and will provide a reprieve in which a fundamental decision can be made as to what kind of farm program we are to follow in the decade ahead.

Mr. Chairman, I stress that a fundamental clarification and alteration of agricultural policy is something that cannot be delayed indefinitely. The present program has clearly not produced the results that its exponents promised; moreover, it has become so costly that there is a growing danger the entire farm program may be swept under in an emotional antisubsidy binge fueled by those who neither understand nor sympathize with the plight of the agricultural sector.

As a number of the Members correctly pointed out yesterday, commodity payments are not a form of "farmers' welfare," nor are they purely income supports measures; they are, in fact, aimed at managing the supply of commodities so that huge surpluses do not drive price levels to rockbottom, and at helping the farmer to cover his costs of production that otherwise would not be met at current low market levels.

That these elementary facts have been so completely distorted and obscured in clouds of reckless and demagogic rhetoric should be ample warning that we are going to have to cast out in a basically new direction if we are to have a farm program that is both workable and effective, and, at the same time, capable of maintaining public support and confidence.

I believe the present bill is an initial step in that direction. First, as Chairman POAGE pointed out yesterday, it moves us almost completely away from the concept of paying for not planting. The payments under the terms of this bill are going to be on production and not on land that is idle. In the past, this has been a most difficult practice for the public to understand and one that readily kindles the old American distaste for paying people for doing nothing. By moving away from it we are taking an important step to decrease the suspicion and hostility that surrounds the farm program.

Second, by imposing a payment limitation of 55,000, we are making a further effort at eleminating those aspects of the farm program which are most vulnerable to criticism. As much as we need to find ways of balancing supply and demand for agricultural commodities and of assuring adequate prices and incomes for farmers, I simply do not see how we can continue to make hundred thousand and even million dollar payments to large corporate farms given the present squeeze on the budget.

Third, by ending the quota system this bill provides both desperately needed flexibility for farmers and the promise of moving back to a more market-controlled system of agriculture. After a farmer has met his "set-aside" requirement, under these new provisions he is free to utilize his remaining cropland as he sees fit.

In a way, this provides the farmer with a taste of both worlds. By providing generous price support payments on that portion of his crop going to the domestic market we assure him that his costs will be met and that he will make some margin of profit for his efforts. At the same time, by removing acreage quotas we afford him the opportunity to attempt to efficiently produce additional non-supported increments for the export market. It is true that the margin between costs and income for the export market will be thin. But if anyone can make a go of it, it is the wheat farmer who efficiently produces an incremental addition to his supported crop, and not the corn farmer who adds a small amount of wheat as a secondary crop, as is often the case under the present acreage quota system. One member has expressed this quite well: this measure will help us to get wheat production back into the Wheat Belt and corn production back into the Corn Belt where these respective crops can be most efficiently and successfully produced. However gingerly, this bill begins to move us back toward the market and I hope we continue to move in that direction in the future. In the meantime, it will provide a useful pilot run before we retreat too hastily to the "free market" as some segments of the agricultural community would have us do.

Having pointed to these desirable aspects of the bill, I want to make clear that I believe it contains a number of serious deficiencies. The first is that it does little to limit the capacity of the Commodity Credit Corporation to dump surpluses on the market whenever the price level begins to rise. If we are to return to a freer agricultural market, we are going to have to have prices which will meet the growing costs of agricultural production. But prices are never going to rise so long as the CCC can keep them at an artificially low level.

Second, the cut-back of the cropland

reversion authorization from an annual level of $225 million to a token level of $10 million is, in my view, the most regressive feature of the entire bill. I am not one who argues that annual diversion is a wholly useless venture; but clearly if we are going to reduce production to levels at which there is an effective demand, then the "whole farm" approach to cropland retirement is essential. Instead of sharply curtailing funds available for this purpose we should be expanding them. I want to strongly emphasize my dissent from this portion of the bill. I therefore strongly support the amendment from the gentleman from Illinois (Mr. RAILSBACK), to provide for the retirement of 6 million acres.

Third, this bill does nothing about the condition of the marginal farmer. We are all agreed that the central cities are totally incapable of absorbing additional migrations from rural areas. Yet this is precisely what will happen if we do not come up with adequate measures to aid those millions of very small farmers who benefit hardly at all from these commodity payment programs. I would suggest that measures to deal effectively with this problem become a first, rather than a last, priority in the development of any future farm legislation.

Let me conclude by reaffirming my support for this compromise farm bill. It eliminates some of the worst aspects of the old program, it protects the incomes of farmers, and it points us back to a more market-oriented agricultural economy. Though it has a number of serious deficiencies, I am sure that they can be lived with until we can get a thorough reorientation of our general farm program.

Mr. QUIE. Mr. Chairman, I too will support the Railsback amendment. I supported the Scherle amendment that was offered, and after it was defeated, I thought I should stand up and see if we can get some more support for this type of amendment.

I would say to the extent the six million acres proposed under the Railsback amendment are retired, there will be that much less for the cotton and wheat and feed grain farmers to set aside, so those who want to produce can, and those who do not can get out. It will tend to be most desirable to those farmers who are retired in a position where they can stay on that farm. Instead of renting their farms for somebody else to produce on, they can stay retired, but this farm in this program and live on their farms and keep the weeds down, kill the rodents, and keep the lands so they will be a pride to the community. It will be a tremendous appeal to the sportsmen, because wildlife will grow to a greater extent on idled land and be more available for those who love to hunt. It will take out only 6 million acres a year which surely will not be disruptive. It will bring more land retirement for less money.

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman. I think he has made an effective argument in behalf of the amendment.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois (Mr. ARENDS).

Mr. ARENDS. Mr. Chairman, I, too, agree with the gentleman from Illinois, and the gentleman from Minnesota on the Railsback amendment. This amendment takes a step in the right direction. I think we ought to start now to see if we can move objectively toward solving part of our farm problems.

The CHAIRMAN pro tempore. The time of the gentleman from Illinois (Mr. ANDERSON) has expired.

(On request of Mr. SCHERLE, and by unanimous consent, Mr. ANDERSON of Illinois was allowed to proceed for 1 additional minute.)

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Maryland.

Mr. MORTON. Mr. Chairman, I am very much for the Railsback amendment. I believe in the East and in those areas where farming is not highly specialized, this amendment will provide great flexibility and benefit to small farmers. It will also tend to keep the farmer on his land. It will preserve it as a great national resource for development later on when we need it. I hope this amendment passes.

Mr. POAGE. Mr. Chairman, how strange it is, after we bring in a bill containing the very provisions which the Secretary of Agriculture has approved that we should have this situation—where those of the Secretary's party are so anxious to disrupt the agreement so carefully worked out. This bill would meet the requirements of the Bureau of the Budget and of the President.

How strange it is that we find this situation where the Secretary's friends, I hope they are his friends, come in here and try to tear down his work. I do not owe any political allegiance to the Secretary, but Secretary Hardin has made a real effort to help work out a good bill, and I think we have a good bill. It is a bill, I think, will achieve a great deal.

There is much to be said, of course, in behalf of land retirement. If we had unlimited funds we could retire all kinds of land, but it depends on how much we want to spend. This proposes $18 million additional expenditure. If we want to spend it, of course, it would be fine to do it just as it would be nice to put up some fountains in front of the Capitol, along with hummingbirds, but it would be costly, and we would have to take care of that expense.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Not at the moment. I hope the gentleman will let me finish my comment. The gentleman has had a great deal of time.

Mr. Chairman, the program provided in this bill is well balanced and one we ought to be willing to support in its entirety, but now we are getting along in the shank of the afternoon, and we find some are coming in here and claiming we ought to be doing something for the sportsmen and ecology and everybody else.

Therefore, we are going to spend any amount of money. We are going to wreck the program which the Secretary and the committee worked out. Instead of carrying out the kind of program the Secretary has suggested, we are going to come in here and rake up the Farm Bureau program and pass it.

Of course, that can be done. The author of one of these amendments—I get them confused, because we have defeated one and now have another of the same kind before us, says, "yes, this is just half the Farm Bureau program."

We did not follow the Farm Bureau program. The committee has brought in a bill which attempts to bring about a balance on another basis or approach. It is the approach of the Secretary of Agriculture and of this administration. It is also the approach of the Committee on Agriculture. I believe they have all together brought us a good program.

I am really depressed that so many of those who should be supporting the Secretary here seem to try to undercut him and try in some way or another to destroy this program which he has endorsed.

I hope we will pass this bill. This is a good bill, as many have said. It is a good, sound program. Let us pass it and not try to embarrass it with some other kind of program.

Mr. PURCELL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to my colleague from Texas.

Mr. PURCELL. If we are to take out an additional 6 million acres, at $25 an acre, this would be an added $150 million, I believe.

Mr. POAGE. I believe that is right.

Mr. PURCELL. It would run from $130 million to $150 million in addition.

Mr. POAGE. I want to apologize. I was merely quoting the gentleman sponsoring the amendment, when he said $18 million. I believe it does figure out at about $150 million. It is a tremendously increased expenditure and has not a thing in the world to do with this sort of a program.

It may be perfectly desirable by itself. I am not suggesting it is not desirable. I believe it would be fine to have a swimming pool in the backyard of everybody, but we do not have that kind of money, and it ought not to be in a farm bill.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. RAILSBACK. I thank the distinguished chairman for yielding. I am sure he did not do this intentionally, but it is my understanding—and I believe the Members of the House should know this—that this paltry figure which we now have ended up with, $10 million for these programs, was not recommended by the Department of Agriculture. They came in with $50 million, is that not correct, for these programs?

Mr. POAGE. They agreed this was the best bill that could be brought out and that they were supporting this bill.

Mr. RAILSBACK. That is not my question.

Mr. POAGE. We have talked with the Secretary and with the Department for

months and months. I do not know all that has been suggested. I confess it may well be that somebody suggested spending a billion dollars for recreation. I do not know.

But I do know that when it came to writing the bill, this is the bill on which there was agreement, and there was no agreement to add $150 million to it.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. RAILSBACK).

The question was taken; and on a division (demanded by Mr. RAILSBACK) there were—ayes, 14, noes 58.

So the amendment was rejected.

Mr. ANDERSON of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

(Mr. ANDERSON of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Tennessee. Mr. Chairman, I intend to vote for this new agricultural bill but only with the gravest of reservations. I shall vote "aye" on final passage simply because there is no other alternative presented to us—either it is this bill or a reversion to the 1958 farm program, which would be disastrous.

Though every effort has been made to cloud the matter, let there be no doubt that this bill deserves but one title—"The Nixon Farm Bill." The Secretary of Agriculture, Mr. Hardin, chose a very unusual course, to put it kindly. Steadfastly refusing to publicly come forward with any complete farm bill whatsoever, he chose instead to do his steering and manipulating during a highly unusual series of executive and night sessions. Most of the House Agriculture Committee—my friend and colleague, ED JONES, in particular—did the best they could. This applies, I am sure, to the distinguished chairman, the gentleman from Texas (Mr. POAGE). But they were not dealt with fairly by Mr. Hardin. He went underground—operated subrosa—to avoid avowed fatherhood of this legislation. Then, suddenly, after 15 months of work by the House Agriculture Committee, this fatherless child is rushed to the House floor. Yes, Mr. Chairman, despite the subrosa proceedings and the frantic rush, this bill deserves only one title—"The Nixon Farm Bill."

When the true light of day comes through—when more and more of our smaller family farmers go broke and are driven from the land, when the vested interest features come truly to light, when we approach the brink of a full-fledged farm-fed depression—let us not forget to recognize this bill for what it is—the Nixon farm bill.

AMENDMENTS OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I have two amendments, which I offer, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois that the amendments be considered en bloc?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. FINDLEY: Page 57, beginning on line 21, insert:

"SEC. 805. The Secretary is directed to establish not later than January 1, 1971, an inventory for each state which will show:

"(1) The cropland other than conserving base which was diverted under a program or tilled in the crop years 1968 or 1969 or prior to August 1 in 1970; and

"(2) The total conserving base in 1970.

"Only the acreage in subsection (1) shall be eligible as set aside under the various provisions of this Act.

"Acreage left unplanted because of skip-row practices shall not be eligible as set aside.

"Any downward adjustment of individual farm conserving bases must be offset by upward adjustments on other farms within the state."

Page 57, after line 21, add the following new section:

"SEC. 806. Notwithstanding any other provision of this Act, the Secretary shall not permit grazing or harvesting of any acreage diverted or set aside pursuant to this Act, except where he determines such action is necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities."

POINT OF ORDER

Mr. POAGE. Mr. Chairman, I make a point of order against the amendments.

Mr. Chairman, I reserve the point of order and make a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. POAGE. Mr. Chairman, the first reading was an amendment that the gentleman had talked about introducing and, as I understood it, he was not going to introduce it. The latter part was the amendment that I understood was going to be introduced and which was discussed with me. I did not want to raise a point of order about it, but I understood the first part was not going to be introduced. Is the gentleman introducing both of these?

The CHAIRMAN pro tempore. The gentleman from Illinois obtained unanimous consent to have them considered en bloc.

Mr. POAGE. Mr. Chairman, I renew my point of order because clearly it is past the point to which they were relevant.

The CHAIRMAN pro tempore. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. FINDLEY. Mr. Chairman, this comes under the general provisions title of the bill. The conserving base concept applies to wheat, feed grains, and cotton. So it seems to me sufficient to offer the amendment under the general provisions title rather than to offer three separate amendments. Inasmuch as the subject matter of this amendment is dealt with in its entirety by the bill itself, it seems to me to be fairly germane.

The CHAIRMAN pro tempore. The Chair has examined the amendments. We are now on title VIII, general and miscellaneous provisions of the bill. It is the opinion of the Chair that the matter referred to in the amendments do refer to matters that can be considered in the general and miscellaneous provisions of the bill and are germane thereto. Therefore, the Chair overrules the point of order.

The gentleman from Illinois is recognized for 5 minutes in support of his amendments.

Mr. FINDLEY. Mr. Chairman, I regret that the gentleman from Texas (Mr. POAGE) thought there was a misunderstanding here, because that is the last thing in the world I want to have betwen us. I do recognize the temper of the committee at this point. We are not going to accept amendments. It is pretty well agreed on the part of the leadership on both sides of the aisle that they will defend the committee product against any amendment. I understand that. But there are some weaknesses in the bill I want to make a record on. That is why I did want these two amendments in the record.

The amendment first read relates to the conserving base scandal.

And I use the word "scandal" advisedly because, as I explained in my statement yesterday, the conserving base has been whittled away in the 3-year period ending in 1969 from a total of 123 million acres in this country down to a total of 100 million acres. What happened to these 23 million acres? These represent downward adjustments in the conserving base requirements from the various farmers who participated in these programs. The farmers got off an obligation which they should have been kept to and at a great deal of cost to the taxpayers. In fact, it is my estimate that the leakage in this conserving base has added $1 billion a year annually to the pressures on the USDA budget.

The other amendment which I believe the Clerk read relates to the built-in abuses of the set-aside concept in this bill. We are starting out this year with a brand-new idea, the set-aside concept. Well, in the early years of the feed grains program we found that the base for the feed grains program was expanded to the tune of 7 million acres beyond the original 1959–60 figure.

What is going to happen now on the set-aside concept? Are we going to have a similar expansion of the base established at great cost to the taxpayers? My proposal is that the Secretary establish an inventory of acres eligible to be considered for set-aside. It has a provision to prohibit the counting of the land left unplanted under the skip-row practice as set-aside acres.

On my second amendment if we are going to set acres aside at heavy cost to the taxpayers those acres should not be planted, they should not be harvested for any purpose. And that is the purpose of these two amendments, and I urge their adoption.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, the gentleman from Illinois pointed out his understanding in respect to the amendments. I appreciate that frank statement, but I think we should oppose these amendments.

I would urge the Members to vote against them.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Illinois (Mr. FINDLEY).

The amendments were rejected.

Mr. TEAGUE of California. Mr. Chair-

man, I move to strike the requisite number of words.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Minnesota.

(Mr. MACGREGOR asked and was given permission to revise and extend his remarks.)

Mr. MACGREGOR. Mr. Chairman, I rise in support of the Agricultural Act of 1970. I commend Secretary Hardin, the Department of Agriculture, and the members of the House Agriculture Committee for the time they have spent and the patience they have exercised over the past 18 months to achieve the compromise necessary in the draftsmanship and presentation of this bill. We all know that the passage of this legislation will leave certain farm problems unresolved, but taken as a whole the bill represents a step forward for the farmer and the Nation. I would have been more pleased had we adopted the Findley payments limitation amendment and the Zwach feed grains amendment.

A major advantage of this legislation is that it will permit the individual farmer greater flexibility in deciding what crops he wants to plant in order to maximize his income within the wheat and feed grain programs. I am particularly pleased with the dairy section of the bill and the class I base plan. The class I base plan as adopted by the committee, and clarified by the Zwach amendment, will eventually reduce the cost of the price support program.

To those who would vote against this bill because it does not do all we had hoped for, I ask them to reconsider. I do not think any of us want to see American agriculture revert to the 1958 law, which Republicans and Democrats alike opposed. Going back to the 1958 act would cause an increase in food prices felt by every consumer in America. Furthermore, a reversion to the 1958 act would have an adverse effect on farm income. We must assure the continuing growth of farm income if we are to realize the continuing industrial and economic growth of America. Three out of every ten working Americans are employed directly or indirectly in agriculture.

The average American spends only 16½ cents per dollar of his take-home pay for food. This amount is the lowest spent on food in any country of the world. In many countries 50 percent or more of an individual's income goes to the purchase of food. These statistics are a tremendous tribute to the efficiency of our farm programs and to Americans engaged in agriculture.

I urge my colleagues to pass this legislation so that we can get on with the business of developing further reforms in our agriculture legislation rather than stepping backward to 1965 or 1958.

Mr. TEAGUE of California. Mr. Chairman, apparently I will have the motion to recommit, and I will take about 1 minute to explain what form it will take.

It will propose to strike from the bill everything except the wool section and the dairy sections and the Public Law 480 program. These are longstanding, well-proven, and insofar as I know involve noncontroversial programs.

The controversial and the expensive parts would be stricken. This would result in the savings to the taxpayers, a net savings to the taxpayers, according to the Department of Agriculture, of approximately $1 billion per year.

AMENDMENT OFFERED BY MR. MELCHER

Mr. MELCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MELCHER: Add at the end of the bill:

"SEC. 805. The Secretary of Agriculture is directed to plan and develop methods of reducing costs of transportation on grains, including use of unit trains and rail to water routings, and to adjust County loan rates on wheat and feed grains to reflect such savings to producers."

Mr. MELCHER. Mr. Chairman, I will not need the entire 5 minutes.

I will refer to the points that are covered in the amendment and will ask for an affirmative vote on it.

This is not a controversial amendment at all and so far as I know it has no enemies on this floor. There are no added costs by having the amendment.

Yesterday I told you of coal that moved from Colstrip in my home county in Montana to Cohasset, Minn.—over a thousand miles, moved in a unit train at a cost of $2.72 per ton, as compared to grain moving the same distance on the same railroad at five or six times that amount.

I point this out because this is a new concept in modern transportation on rail, to have the unit train, to move most quickly with one commodity from point to point.

The railroads like the unit trains. I think the Department of Agriculture would appreciate being directed to investigate and study the possibility of using unit trains and unit shipments on water in moving grain to market or to export ports.

That is the purpose of the amendment. There is no added cost.

This offers some promise and some hope that after a study and after planning developments that the Department will find it feasible to move CCC stock at savings in transportation costs.

The amendment does require that the savings, if they come into being, will be reflected back to the grower, the producer, through higher county loan rates on grains.

I think it would aid exports and I think it would aid the farmers if it is feasible and if it comes about. This is an area of progress in which we can all join together by putting this into this bill and directing the study by the Department of Agriculture.

I ask for your favorable vote on the amendment at this point.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Montana (Mr. MELCHER).

The question was taken and on a division (demanded by Mr. ABERNETHY) there were —ayes 27, noes 37.

So the amendment was rejected.

Mr. BELCHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to explain what the effect of the recommittal motion will actually mean. A vote on the recommittal motion will be a vote on the entire bill. If the recommittal motion is sustained there will be no farm bill as such.

And I will say that the gentleman from California is absolutely honest and sincere in offering this motion. He has been opposed to all farm bills ever since I have been a member of the committee and he is conscientious and sincere about it. He is trying to stop this bill and destroy it in a legitimate manner. He has always operated in the committee completely above board without in any way dodging the issue.

So as he told you here awhile ago it means that it strikes out everything in the bill so far as wheat, feed grains and cotton is concerned.

So I hope you will keep that in mind when you vote on the motion to recommit.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN pro tempore. The gentleman from Ohio is recognized.

Mr. HAYS. Mr. Chairman, I hestiate to bring this up, but I understand there is a big story in the newspapers about the House taking a stand for economy and refusing to raise the salary of an employee around here by $2,000. I am going to vote, I guess, for the farm bill. I think I can do it because I voted to raise the fellow $2,000. So, therefore, I guess I can vote for $55,000 subsidies.

The rest of you have to make up your own minds accordingly.

Mr. HAGAN. Mr. Chairman, I urge passage of H.R. 18546, the farm bill to replace the 1965 Food and Agriculture Act which expires at the end of this year.

The majority of people in my First District of Georgia generally agree that this type of basic legislation is urgently needed, if agriculture is to continue to meet the requirements and needs of the consumers in this country.

This cannot be done, if we in Congress do not act to correct the glaring disparity between the low prices received, and the total cost of production to our farmers.

According to Secretary of Agriculture Clifford Hardin, the bill under consideration would hold Government aid at "approximately the same total figure." Otherwise, Secretary Hardin says, the necessary money "must come from the market in the form of higher prices."

I submit that positive and favorable action is needed on the farm bill, to help make it possible to overhaul our farm programs, to bolster and up-grade agriculture, and to prevent an upward spiral in farm program costs.

I urge this action in the best interests of the consumer and the producer.

Mr. SKUBITZ. Mr. Chairman, I do not intend to spend my time reviewing the great role that the farmer has played in making this Nation—the best clothed and best fed nation in the world. You know it. I know it. The farmers know it too. One difference, they are getting sick and tired of praise and promises. What

they want to know is—when is the farmer going to share in the economic growth of this country? When is he going to get a fair price at least comparable to what he pays for goods and services?

When are the consumers of this country going to wake up to the fact that the food they buy is a bargain when compared with the price other peoples of the world pay for food? That the farmers' share of the consumers' dollar is getting smaller and smaller. Today 16 percent of the consumers' take-home pay goes for food as compared with 20 percent just 10 years ago. When are the urban dwellers and their representatives in Congress going to learn that when food prices go up it is not the farmer that is getting the increase? It is the fellows between the farmer and the consumer. For example, in 1950, 47 cents of the retail dollar went to the farmer. Today he is getting less than 39 cents.

When are the city merchants, the industrial workers, and the urban dwellers going to wake up to the fact that while the farmers make up only 5 percent of our population, they are buying approximately $37 billion worth of the goods and products produced by their city brothers? When are the oil and steel workers going to realize that the commercial farmers buy 5 percent of the steel produced and 11 percent of all the petroleum produced? When are the urban dwellers going to learn that 6 million of their jobs are directly related to the machinery, chemical and supply industry and that 14 million more have jobs directly related to food and fiber processing and marketing?

When is Congress and the President going to wake up to the fact that in 1947 the gross farm income was $34 billion and the realized net income was $17 billion? Twenty years later the farmers' gross income was $51 billion and his net dropped to $14.7 billion, while interest rates have gone up nearly 300 percent—taxes more than doubled—industrial wages doubled and tripled—yet the parity ratio is about 75 percent just what it was during the depression years. Without a healthy agriculture industry our manufacturing industry and the very future of our economic system can be torn to shreds. The patience and endeavor of the American farmer has reached the breaking point.

Too many Americans—and that includes Members of Congress—look at the farm problem as something that does not affect them. Well, American agriculture is still America's No. 1 industry. It generates 40 percent of the employment, directly or indirectly. If the farmer cannot buy, industry cannot produce. Make no mistake, Mr. Chairman, a sick agriculture means a sick economy. If the farmer does not receive a fair price, for his products, he cannot buy the products which industry produces. He cannot service his debt, he cannot buy the fertilizer, pesticides, and machinery he needs. He cannot provide for his children's education or other needs.

Without adequate farm legislation, perhaps a million farmers in America would soon be forced out of business, leaving the industry to large corporate farms financed by insurance companies, conglomerates, and public subscription stocks and bonds.

For 25 years now, the farmer has seen his prices go down while the prices he pays for the goods he needs go up, up, and up. The committee report has stated the farmers' case far better than I. It reads as follows:

> We all know that farmers have historically bought in a protected market. They pay the American price for everything they use. They sell in a free or competitive market. They receive prices fixed by producers in lands where the wage scale is only a fraction of what it is in our country. It has been repeatedly pointed out if farmers could buy in a completely free market they would have no right to ask for assistance, but if they must continue to buy in a controlled market, they must either sell in such a market or the government must make up at least part of the difference.
>
> Whatever things the farmer buys to meet his production needs must include the cost of our high American wage scale. These costs are constantly going up. Already labor leaders have recommended an increase in the minimum wage to $2.00. On the other hand, the price of most farm products is actually lower today, per pound or per bushel, than they were twenty or twenty-five years ago.

Using the year 1946 as a measuring rod we find that the cost of food rose from 100 to 196, housing 100 to 190, clothing 100 to 168, transportation 100 to 222, medical care 100 to 275, hospital service 100 to 759, Federal taxes 100 to 286, State taxes 100 to 623, local taxes 100 to 478, wage rates in manufacturing 100 to 312. What about agriculture during the same period? The price the farmer received went from 100 to 119. When we add Government payments the farmer's price went from 100 to 127. What about the prices he pays for goods? They went from 100 to 187. Any wonder that farmers are caught in a squeeze?

Of one thing I am sure, keep driving the farmers to the wall and he may go broke but he will eat. I am not so sure that my city brethren will.

Mr. Chairman, I wish to commend the gentleman from Texas (Mr. POAGE), and the gentleman from Oklahoma (Mr. BELCHER), and the other members of the Agriculture Committee for the hard work they have done on this farm bill. The committee has worked with the Department of Agriculture for over 18 months in an effort to report legislation that is workable, equitable, acceptable to the Congress and the administration. The committee has worked in a statesmanlike manner to report a bill—a bill which any member would change if given the opportunity and with the assurance that it would not kill the bill.

If I were writing a farm bill, of course, there are changes I would make. I would retain at least one feature of the 1965 act, and insure that the loan rate has some relation to parity prices on commodities. Farmers should not depend upon the cost of production in Australia or Canada or France or Argentina to set their loan levels. In all these countries, agriculture is subsidized anyway, and American farmers should receive a return based upon their actual cost of production. But this bill does not retain a parity-loan rate ratio, for reasons the committee has considered compelling.

Further, the bill as reported puts a payment limitation per crop at $55,000. I believe the $55,000 limit is too high. I will support an amendment to lower the level.

I have received scores of letters and wires urging me to support the coalition bill or the Farm Bureau proposals. Neither of these bills are before us today. I am told they were considered by the Agriculture Committee and neither could muster the strength to receive favorable committee action.

I think the able chairman of the committee, Congressman POAGE, expressed the views of a realist when he said:

> The only farm bill that can possibly pass is that which we work out between the committees, the administration, the Republicans, and the Democrats. There isn't one group that can pass a farm bill today.

I think he could have added that the only bill that could be passed is one that could generate a sufficient number of votes from the ranks of our urban representatives to secure a majority.

NOW WHAT DOES THIS BILL PROVIDE?

The wheat section of the bill provides for 100 percent of parity on wheat produced for domestic consumption. The bill also provides that wheat farmers will receive 75 percent of their estimated payment as soon after July 1 as possible, to provide them with working capital to prepare their seedbed for the coming fall season.

The wheat farmer will also have increased flexibility in the planning of his own farming operation, for the "set-aside" provision of this bill, to become fully operative in 1973, permits a farmer to plant whatever he chooses on his cropland acres after complying with the program's "set-aside" or diversion of a percentage of his cropland for conservation purposes.

The bill also provides for a wheat and feed grains substitution program, of special benefit to Kansas producers.

As the committee has reported this legislation, feed grains farmers will be permitted to continue their program of diversion for payment. A payment of not less than 32 cents a bushel for corn, with corresponding rates for grain sorghum and barley, are also provided. The feed grains farmer will also be permitted to participate in a "set-aside" program permitting more flexibility in farm planning. Beginning in 1973, after 2 transition years, the feed grains farmer will be permitted to plant whatever he chooses on his cropland acres after diverting a specified acreage for conservation and limited cropping purposes.

Mr. Chairman, a good many farmers are disappointed that the so-called coalition bill was not reported for consideration today. A good many people in rural America believe that the coalition bill provides minimum income protection for American agriculture today. Many believe that the committee legislation, on the other hand, will not provide the American farmer with the return he deserves for his production.

After 18 months of consideration, the

Committee on Agriculture decided that this Congress, 80 percent of which is composed of Members from urban and suburban districts, would not approve the coalition bill. The Committee on Agriculture defeated the coalition bill in committee and refused to report it to the floor.

The committee insists that this bill is the best that can be produced with a chance to secure the approval of the administration and enough of the urban and rural Congressmen to secure its passage. It is this or nothing. This is not a threat—or a promise—but a fact of life. I am inclined to agree. However, I shall support amendments to approve the lot of the wheat and feed grain producers.

Now, Mr. Chairman, the Agriculture Committee also considered the so-called Agricultural Adjustment Act of 1969, supported by the largest farm organization of all, the American Farm Bureau Federation. But the committee rejected that approach as well, after full consideration, for it believed that the Farm Bureau program could not pass this House.

Farmers must have a bill—not merely a political issue. You cannot feed your children on a political issue. You cannot buy machinery for production with a political issue. You need a fair return for your commodities to do that, and the Agricultural Committee after 18 months has rejected those approaches to farm programs that were doomed to defeat on the House floor. If I am any judge of the mood of this body, the committee is right.

Mr. Chairman, what would happen if the Congress were to fail to enact a farm bill this year? Many believe that present programs, under the Food and Agriculture Act of 1965, would continue in operation.

They are mistaken. If we have no farm bill this year, the 1958 act, as amended, would become operative. The 1965 farm program with diversion payments and wheat certificates would expire before the 1971 crop year.

Under permanent farm law, the act of 1958, wheat farmers would be faced with a referendum on marketing quotas.

If marketing quotas were approved by two-thirds of the farmers voting—the quota system would go into effect through individual farm allotments. Land-use penalties would apply for failure to make mandatory diversion. There would be no diversion payment.

Wheat marketing certificates would be paid to producers—domestic certificates plus the loan would provide between 65 and 90 percent of parity. Processors would be required to pay full value for the certificates. There would be no authority for wheat-feed grains substitutions. Even with referendum marketing quota approval, there would be an immediate loss of income to the wheat farmers of some $1 billion for the 1971 crop year.

Now if the referendum rejected quotas, there would be no land-use penalty, no quotas for marketing, no wheat certificates, and no diversion payments. Price supports through loans and CCC purchases would be available to those complying with an allotment of only 50 percent of parity. Under these conditions, the wheat farmers' income would drop between $1.5 and $2 billion the first year of operation.

Mr. Chairman, under the permanent farm law, the feed grains farmer would be no better off. Under permanent farm law, the feed grains producer would receive no diversion, no price-support payments, no corn bases. Price support would depend wholly upon loans and CCC purchases. But the Secretary would be required by law to set loan levels between 50 and 90 percent of parity, at a level low enough to discourage surpluses. Needless to say, without 40 million acres of diverted feed grains land, the price would be driven down to 50 percent of parity in a year or two.

Worse, the soybean market would be destroyed, for millions of currently diverted acres of feed grains land would be planted into soybeans in a desperate effort by farmers to maximize their incomes. We would probably have to restrict the production of soybeans in a year or two.

Mr. Chairman, this is not the bill I would have drafted. American agriculture is getting the short end of the stick. But like my colleagues from rural America, I must face the facts of life. I shall vote for amendments to improve the position of the wheat and feed grains farmers, first, as to income and second, as to freedom to operate his own farm. I shall vote to reduce the annual ceiling of $55,000 per crop on payments to producers of cotton, wheat, and feed grains. In the final analysis, I shall vote for the bill. Agriculture cannot afford to return to the provisions of the 1958 law.

Mr. BURKE of Florida. Mr. Chairman, I rise in opposition to H.R. 18546, the "so-called" bill to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities.

Mr. Chairman, where in this "bale of hay" is there any improvement for the American taxpayer, or for that matter where is there any improvement over the past bungling, cumbersome, bureaucratic farm bills of the past?

Certainly all Americans should, and must recognize the outstanding contributions that our farmers have made in the past and which they wish to make in the future. To suggest, however, that the passage of H.R. 18546 is essential for the security of our farmers—to prevent an all out farm depression—it seems to me, if true, will only forestall the inevitable.

I do not think this outlook is true.

Our American farmer has never feared competition and he does not fear it now. The time has come when we should bring out in the open just who will be best served by the passage of this bill—the small farmer or the large corporate farmer.

If the past farm programs have been subject to criticism why is it good as the American farm program for tomorrow?

I want to commend Chairman POAGE and Congressman PAGE BELCHER, the senior minority member of the committee as well as my other distinguished colleagues who serve on the House Agriculture Committee. They have worked long and hard under difficult circumstances. I know, because during the 90th Congress, I, too, served on their committee. At that time, however, many of us reluctantly agreed to go along with the then existing farm program because we felt that further hearings later would result in an entire new farm program.

Certainly the discontent felt with the farm program then is not any less now.

But, alas, and alack, we find ourselves today not with a new farm program but with the same old program under which the Government would continue farm subsidies at current rates of almost $3.7 billion annually and further extend further features of the law.

What happened to the legislation which was talked about that would improve farmers' income by sales in the marketplace instead of keeping the farmers dependent on Government subsidies?

Must the taxpayer and our American farmer be forever strapped with Government bloated bureaucracy programs?

The American farmer does not want the Government crutch offered by the farm program under H.R. 18546. I believe that he wants to be cut free from the shackles of bureaucratic farm controls. The time has come when his voice and that of the taxpayer should be heeded, especially now in these times of increased deficits.

Mr. CHAMBERLAIN. Mr. Chairman, yesterday I introduced legislation incorporating the dairy provisions contained in title II of H.R. 18546, the Agricultural Act of 1970.

I did this because, although I have reservations with respect to other provisions of the bill as reported by the Committee on Agriculture, it is my opinion that title II is acceptable, and I wish to make it clear that it would have my support as a separate measure.

The broad implications of the bill as a whole, I believe, outweigh any consideration that can be given any one of its parts however meritorious.

After a long and difficult study of more than a year by the Committee on Agriculture, we are asked to accept this bill as the best that can be had under the circumstances. As true as this may be, and that remains to be seen, such an argument does little to recommend the bill on its intrinsic merits. In the final analysis, it is either a good bill or a bad one—a good compromise or a bad compromise—a part of the solution or a part of the farm problem.

It is apparent that, although the committee struggled valiantly, the bill before us today amounts to little more than a continuation for 3 more years of the same old policies and programs which have provided far too little in the way of income protection for many of our farmers and has failed to live up to its promise to hold down the cost of the program to the U.S. taxpayer, many of whom are also farmers.

While I recognize the ramifications of our farm problems, I cannot help but feel that we need a new direction in the area of farm legislation. From discussions I have had over the years with farmers in the Sixth Congressional District of Michigan, I believe that this new direction

should be away from Federal controls and compensatory payments for nonproduction. Because of this, on October 22, 1969, I joined in sponsoring legislation, H.R. 14469, that would provide for an orderly 5-year phaseout of such controls and payments.

This is the time to act, not 3 years from now. I urge the House to reject H.R. 18546 and thereby lay the foundation for more genuine reform in our farm program.

Mr. LEGGETT. Mr. Chairman, the bill before us is not without merit. But on balance I feel I must oppose it.

As we know, this bill is opposed by both the National Farmers' Union and the National Farm Bureau. I think their objections are well founded.

Very briefly, it seems to me this bill would have the effect of imposing wage-price controls on agriculture while leaving the rest of the economy unregulated. This would be neither fair nor effective; obviously, controls must cover all major industries if they are to have the desired effect.

By eliminating price floors under the loan program, by giving the Secretary of Agriculture almost unlimited discretion in setting loan levels—all the way down to 0—passage of this bill would constitute a congressional abdication of responsibility to provide some security for the farmer.

By removing price protection, this bill will decrease farmers' market income and increase dependence on the Government. This is not going to help us hold down Government erpenditures in the long run.

Finally, the "acreage set-aside" program is a replay of the 1965 "diversion" program. We have found this approach to be too easily circumvented and, therefore, ineffective.

Mr. Chairman, for these reasons and others I oppose this year for the first time the Committee legislation and farm program.

Mr. SCHWENGEL. Mr. Chairman, today we are again considering farm legislation that is the result of compromise, except this time, I believe there is too much compromise. The bill we face today is a bill which would establish the farm program for the next 3 years, and once again apparently none of the grassroots farm organizations support the bill. Some would like to see it pass the House, but do not let them fool you, they want to work on it in the Senate. I do not want to give them that option. I want to change this bill, which I consider an insult to the American farmer, to make it acceptable when it leaves this Chamber. I am sick of being placed in a situation in which I must vote for a poor bill or have no bill at all and no effective programs for the farmer.

Once again the program with which we are presented has been influenced too much by politics and not by a desire to attack the real problems which confront us. For example, the cry goes up that food prices must be kept down, and I certainly agree, but I also reply that many of those who cry the loudest can't hear the farmer whose techniques have made possible the lowest food prices in the world—only 16½ percent of the American dollar is spent on food. He crys that his adjusted income has actually fallen 6 percent in the last 20 years. Surely we owe this man the courtesy of producing legislation which will not only improve his position in the short run, but which will look into the future and begin to move in the right direction in the long run.

As a conscientious legislator from one of the most productive agricultural districts in the United States, I am truly in a dilemma when faced with a choice between the kind of bill that is currently on the floor and the prospect of returning to the permanent provisions of the 1958 act. In this situation, the record will show that I will support all attempts to improve this bill. Basically, I want to assure the farmer that we are interested in his welfare in the future and to offer him legislation that reaches beyond the 3 years covered by this act. In this regard, the gentleman from Illinois (Mr. RAILSBACK), and I will support an amendment to strengthen the long-term land retirement provisions of the bill. This type of legislation, involving the conservation reserve aspects of the program, is one of the things that many of the farm organizations have been pushing for and which has been virtually ignored in the current bill. This amendment, which would permit the Secretary to increase the conservation reserve by up to 6 million acres a year, is designed to protect and rebuild the soil. The importance of this type of action has come to public attention lately with the anti-pollution crusade, of which this is certainly a basic part. Land so retired would have a change, at long last, to recover from misuse which it has suffered as a result of inadequate knowledge of the damaging effects of pesticides and other such factors.

Along this line, there is no doubt in my mind that one of the most effective actions which can be taken would be the completion of a comprehensive watershed program in rural areas across the country. This would probably be a greater contribution to the solution of the problem of pollution and deterioration of our resources than any other single action. This is not a program to be covered in this type of legislation, but I mention it as part of a comprehensive solution which would have to include the conservation reserve program I referred to earlier.

I come now to the most publicized provision of all, the various proposed payment limitation. I realize that this is a very emotional issue, but it is also an economic issue. Much of the public outcry, most of us know, has resulted from some misunderstanding of the total problem. I have studied this problem extensively, as have many of you, and I have reached a conclusion, one that this body has already reached on two occasions. I cannot support a limitation higher than the $20,000 ceiling as proposed in the amendment offered by my distinguished colleague (Mr. FINDLEY). None of the arguments against this amendment, it seems to me, are based on anything more than political considerations. No program for the average farmer will, in my view, be adversely affected by this limitation. The benefits that will accrue will far outweigh any problems which might arise. A clearly inequitable situation will be set right, and the public will be able to believe that the Congress does not always act on the demand of special interest. Unless this is passed, I will find it extremely difficult to vote for final passage of the bill.

Let me reiterate my basic point in this discussion. I am tired of being faced with legislation which does not address itself to the total interests of the American farmer. I want to see a return to a stronger reliance on the marketplace so that the farmer need not depend on the Federal Government for his livelihood. This would, at least, prevent the kind of dilemma which confronts us now, in which the permanent law would actually be worse than the provisions of what I consider to be a very poor bill. If nothing else, we could then vote against poor programs without endangering the situation of the farmer. We need a far-sighted, long-range plan such as the conservation reserve amendment, to begin to move in the right direction.

Certainly there are worthy provisions in this bill. I note in particular those covering the dairy and wool programs, as well as the Public Law 480 programs. These are supported by the farmers involved, and I think it would be tragic to place them against the other farmers who oppose this bill. Let us get them together by amending this bill to make it acceptable to the broad spectrum of the farm population. I am asking only that the real problems of the American farmer be considered, and that this bill result in programs that are in his interest. I firmly believe that if this can be achieved, the entire country will benefit.

Mr. SCHADEBERG. Mr. Chairman, the consideration of H.R. 18546, the Agriculture Act of 1970, has to be one of the strangest situations confronting the House since I was first privileged to represent the First District of Wisconsin in 1961.This legislation is being touted as a good bill, yet it satisfies neither those who are in full agreement with Government support payments, production controls, acreage allotments, and marketing quotas, nor those who feel we should phase out Government support of agricultural production through a gradual transition to the market system.

Although most legislation is at most a compromise between differing factions, representing divergent opinions on how things ought to be, the farm bill we are considering today is, as one editorial writer put it, "neither fish nor fowl." While there are those who claim the bill is a new approach to the problems of the farm, it is at best a temporary substitute.

Yet, it must be admitted that it is far better than the farm legislation of 1958 to which we would return if the bill presently under consideration is not acted upon. Too much is at stake not to pass even a mediocre farm bill, even one such as this which leaves much to be desired.

It is common knowledge that the farm economy is the basis of a healthy national economy. Agriculture is the Na-

tion's largest business, employing 4.6 million workers, more than the combined total employment in transportation, public utilities, steel, and automobile industries.

Agriculture's assets total $307 billion, or one-half of the market value of all corporation stocks on the New York Stock Exchange. Production assets for each farmworker are about $50,000—approximately double that of each manufacturing employee.

Farmers spend over $50 billion annually. The statistics go on and on. But the fact of all of these statistics is that with four out of 10 employees in private industry engaged in the agricultural sector, we can ill afford to revert, by default, to the farm programs of 1958. Those programs would be unrealistic for the seventies and inadequate to meet even the minimum needs of those who produce our Nation's food. I had hoped, and I believe the farmers of our Nation had hoped, that this House would come up with a new approach to farm programs rather than a reshuffling of the old ones.

To be sure the 1958 programs did something for the farmers without which perhaps our agricultural economy would be in shambles. But, at the same time, they made a very important segment of our economy dependent upon the Government for its survival. I voted for the extension of the agricultural act the last time because I thought that this Congress would come up with a new kind of approach that would reward effciency rather than discourage it and that would not give support to those in agriculture for not raising crops, but for conserving and preserving their land for future use. I supported unlimited payments then because I felt that they were the only realistic position to make under that program. It is evident that a bold new approach to our agricultural problems is not going to be taken, therefore. I intend to support a limitation of payments of $20,000 per farm.

I am casting my vote in favor of this bill not within the framework of something good as against that which has been found wanting. Rather, I am choosing the lesser of two evils. I certainly would not want to be a partner to the forcing of our farmers to live under an outmoded 1958 program which seems to be the only alternative to the passage of this bill. I would not want to be a partner in the reduction of farm income, thereby, conceivably destroying thousands of the 40 percent of the Nation's jobs that are related to the agricultural industry and possibly trigger a serious depression.

While I can understand the reasoning for coming up with an omnibus farm program, it is always difficult to make a decision when part of the bill dealing with certain segments of agriculture, such as dairy, are acceptable to our farmers, while other parts are found wanting.

Mr. Chairman, I shall return to my district not happy over the action taken by the House in its efforts to assist the agricultural segment of our Nation, but rather feeling that I did my best for the farmers of the First District by voting for the bill when no other acceptable alternative was available.

Mr. BUSH. Mr. Chairman, I support the agriculture bill reported by the House Agriculture Committee. This is not a bill that has everyone completely satisfied. But, its passage will prevent a lot of people from becoming very unhappy.

The bill passed out of the House Agriculture Committee by a vote of 27 to 6. It had the support of such distinguished Texans as the chairman of the Agriculture Committee, the Honorable BOB POAGE; the Honorable BOB PRICE; the Honorable ELIGIO DE LA GARZA, and the Honorable GRAHAM PURCELL.

The increasingly urban orientation of this country and its elected representatives makes legislating a farm program increasingly difficult. People just do not understand the program. They forget that the basic reason for the program is the fact that for a long time in our history the marketplace did not provide enough money to the farmer to pay for the cost of producing food, cotton, and so forth. For example, it costs between 28 and 32 cents to produce cotton. The world market price for cotton is 22 cents. So, we have a farm program that pays 35 cents for cotton so that this country will not be dependent upon foreign sources for its textile mills and so that a relatively stable market can be maintained for the product. All this bill really does is enable the farmer to continue to operate.

I, for one, do not feel that the American public wants to be dependent upon imports for food nor do I feel they want to pay much more for food than they already do. The 16.5 percent of disposable income paid by the average American family at the grocery store is a bargin unequaled in the world.

The bill before us today attempts to refashion the farm program and to strengthen this segment of the economy while preventing an upward spiral in farm program costs. The bill abandons the old philosophy of paying for not planting. The payments under the terms of this bill are going to be on production and not on land that is not producing. This is a big step in the right direction.

A lot has been said over the past few years about farm subsidies. While I do not claim to be an expert on the farm program, I have studied it and I do know that subsidies are a very emotional issue and one that very few understand. A substantial portion of the production in this country comes from the top 10 to 20 percent of our growers. No farm program will work without their cooperation. So the payments, if we are going to have a farm program, must provide sufficient incentive to bring these operators under the program. At the same time, the program must provide an incentive to the farm operator to improve his operation. A low limitation simply does not provide this incentive. A program without this kind of incentive would only lead to inefficiency and it is he very efficiency of the American farmer that has made he cost of food so inexpensive to the American consumer. As President Nixon stated in his letter yesterday to the Honorable PAGE BELCHER:

> It would poorly serve the country to develop a farm program, then impose so severe a limitation as to impair its effectiveness.

The Agriculture Committee feels that a $55,000 limitation would not impair the effectiveness of the farm program. I respect their judgment and will support this limitation of payments.

Mr. HALPERN. Mr. Chairman, I rise in strong opposition to H.R. 18546, the Agricultural Act of 1970. This bill is unsatisfactory because it does not help the farmer or the consumer. The income of the majority of farmers will be allowed to decline, and the consumer will continue to have to pay record high prices for agricultural commodities.

If we examine this bill carefully, we find that cotton producers will benefit enormously at the expense of wheat and feed grain producers. Cotton presently brings about 18 cents per pound, but if this bill is passed producers will receive 35 cents per pound, double their present compensation. In contrast wheat and feed grain producers will only be assured one-half or less of their production. This inequality of benefits between these crops is completely unfair.

This bill proposes an outrageously high limitation of $55,000 per crop to be paid to an individual producer. This limitation which affects only a minute proportion of farms, about 1,000 out of 3 million, does nothing to help the hundreds of thousands of low-production, low-income farmers who really need assistance. There is something radically wrong with our payments program when the 264 largest agricultural producers receive an average annual subsidy of $200,000 and the 540,000 others receive average annual aid of only $100. If we are going to appropriate billions of dollars we should see that those who need it most, receive it.

I support the amendment to title I of the bill to reduce this limitation to $20,000. This is adequate compensation for producers and will save the American taxpayer well over $160 million. In view of the fact that both the House and the Senate have both previously approved a $20,000 limitation, it would be a criminal misappropriation of taxpayer dollars to allow a limitation of $55,000.

The present bill is unjustly weighted in favor of certain crops and neglects others. In my own State of New York, where 40 percent of land is devoted to agriculture, a State that is second in the Nation in the production of apples and dairy products, only five farmers received assistance of over $20,000 last year. Compare this with Texas where land is devoted to high compensation crops like cotton, wheat, and feed grain; over 2,500 Texas farmers received Government assistance of over $20,000. This is an outrageously disproportionate distribution of funds.

I urge you all to join with me in opposition to this unfair, inadequate bill. I believe that by allowing the 1965 Agricultural Act to expire we will be taking a constructive action and performing a public service for all Americans, farmers and consumers alike. If the present act expires, programs already authorized by public law, basically the Agricultural Act of 1938 as amended in 1958, will be put

into operation. This will mean more reliance on loans to farmers and less on Government payments. The final solution must be a thorough overhaul of the payment program and a greater reliance on Government loans to farmers.

Mr. COHELAN. Mr. Chairman, I rise in strong support of the Conte-Findley substitute amendment to title I of H.R. 8546, the Agriculture Act of 1970. This amendment has been explained quite well by my distinguished colleagues from Massachusetts and Illinois.

I do want, however, to offer my firm support to this amendment. I am one of the original co-sponsors of this amendment.

I listened with interest yesterday and today to the debate on this bill. Nothing, however, in this debate has convinced me either that the committee's $50,000 limitation is sacrosanct or represents good Federal agricultural policy. Indeed, the debate reconfirmed my own view that the $20,000 per crop limitation which, incidentally, includes all crops, is a much more realistic figure. If I had my way—I would probably go for an even lower figure, but I think $20,000 represents a reasonable compromise.

I am especially pleased that the $20,000 limitation covers each crop and that there is specific provision in this Conte-Findley substitute to cover transfers of land so that there can be no evasion on the per crop limitation.

My information suggests very strongly that the $20,000 per crop limitation will not adversely affect any but the largest farms. Even with the $20,000 limitation there will be a considerable amount of money still in the Commodity Credit Corporation.

It is my strongly held feelings that the best state of affairs would be to abolish the agricultural subsidy program over a period of 5 to 10 years. All Members must remember that the money in the commodity credit corporation—the $3½ billion in this Commodity Credit Corporation—is one of the uncontrollables of the budget. It is money that must be spent. From my perspective this money could better be spent on our pressing domestic problems. I think it is imperative that we return to a free market.

I am not unmindful that this might adversely affect the nonprofitable farms or the small farmer. But I feel that a limited budget dominated by $180 billion in uncontrollable expenditures and our present societal needs: our cities, our educational system that we cannot afford the luxury of this $3½ billion price support program.

Thus I support the Findley-Conte amendment and I am hopeful that this will be but a first step in removing artificial price supports for our farm products.

There is another feature in this bill that is particularly upsetting to me Mr. Chairman. This is the set-aside program. As correctly pointed out by the gentleman from Illinois (Mr. FINDLEY) there are huge gaps in the set-aside program. A careful reading of the bill indicates that set-aside acres can be used to grow crops again or that marginal or scrub land can be put into conservation projects.

Thus it is imperative that within the agriculture bill there be some restrictions that only productive lands will be used. It is esitmated that if the bill is enacted as written that 10 million additional acres will be put in the set-aside program at a cost of perhaps $250 million. This would unconscionably increase an already unacceptable farm program. Thus I support the Findley amendment which would attempt to only have productive land placed under set-asides.

Mr. Chairman, without the Conte-Findley amendment with the $20,000 limitation per crop and a reworking of the set-aside feature, I cannot consciously support the agriculture bill before us today. If the gaps in this bill are not closed, I intend to vote against the bill as I have in the past. There is, Mr. Chairman, no recourse, I submit, than repeal of these price support progracs. We are taking steps today to attempt to move in this direction. I can only hope that future Congresses will take up the burden and finish this necessary work.

Mr. RANDALL. Mr. Chairman, I support H.R. 18546 but without the enthusiasm which would be present if it were a better bill.

A fellow Member who represents an area which contains many family farmers, like our own district, when asked if he would support this bill replied yes, it is a heck of a lot better than nothing at all and I guess I will have to be for it for that reason. I am sure this kind of an attitude embodies the thinking of many of those who classify themselves as farm Congressmen.

Action on this bill culminates a lot of hard work. By some it is viewed as quite an achievement because for several months early this year there prevailed a general belief there would be no farm legislation of any kind.

The general philosophy of this bill is quite similar to the principal objectives of earlier enactments. Basically it tries to achieve a balance of supply and demand between production and consumption. We can all agree that if there is over production this means waste. Without going into the details of the bill we recognize the new description of "set-asides" is but another form of voluntary withdrawal of land that carries a potential production capacity.

Quite frankly, I am disappointed there is no direct parity concept except in the instance of wheat. Of course, the proponents say they had parity in mind when they worked out the $1.35 price support and the guaranteed payment of 32 cents on 50 percent of the base. It is easy to say such a formula maintains parity but it is not really and truly parity no matter how you slice it because such is a fixed price while parity slides up or down depending upon the cost of production.

I am not sure statistics are always helpful but since this has been referred to by some as a consumer bill and by others as a farmers bill, there is no use to try to explain away the fact that at the producers level the price farmers receive for beef is only 16 percent more than in 1950 and 12½ percent more for pork than in 1950. Thus it is suggested, this is how much more money the farmer receives for his livestock and as well the additional cost the consumer pays. But such statistics are really meaningless because since 1950 there has been a recorded inflationary increment of more than 30 percent. Taken in this light it means the stockowner is actually getting 15 percent less for beef and 18 cents less for his pigs than in 1950 while he still pays 30 percent more for everything he buys. That is why there should have been some provisions for parity if we have any real concern about the income of our farmers.

During the debate on this bill, as during the debate at other times when we were considering limitation of payments, it seems it has suddenly become fashionable for those who represent the population of big cities and even those who represent suburban areas to be against the farm program. It is the old story of an effort to array the interest of the consumer against those of the producers. This is such a short-sighted viewpoint. Surely those who know any economics at all know that if the thousands of small farmers fail to make ends meet there could well develop a farm recession or even a farm depression such as we have not witnessed for many years in this country. When something like that happened in the early 1930's it made it almost impossible for our economy to be rejuvenated during those post-depression days. How many times do we learn the lesson that a recession and even a full blown depression may originate out in the rural areas but it soon comes to town. This means the adverse effects of farm decline are felt keenly by the inhabitants of every big city.

Because of prevailing belief by big city Congressmen that somehow they are pleasing their constituency if they oppose farm legislation, I suppose it is hopeless to expect to have a really effective or beneficial piece of farm legislation.

And when those who represent farm areas find ourselves bucking the powerful combination of the Bureau of the Budget, the President of the United States and the Secretary of Agriculture then it is little wonder the farm bill does not contain all the features that would be of real help to our family farmers.

H.R. 18546 may not be the best kind of farm legislation but by the margin of that number of votes by which it may pass we will be saved from being in the worst farm situation ever experienced because no matter how bad it may be it is just that much better than no new farm legislation at all.

We must have a vehicle to serve as the carrier of later additions which appear in the final bill. Today, the bill we pass will be something that we have agreed to in the House and which hopefully may be improved upon in the other body.

I know it will be a long time before Utopia in farm legislation but until that time comes I have no choice but to support H.R. 18546 now before the House even though I recognize that it does much less than enough for our farmers.

Mr. DONOHUE. Mr. Chairman, I support, as I have on the two previous occasions when it was presented and approved

here in this House, this pending amendment, which I have cosponsored, to place a limit of $20,000 upon the individual subsidy payments to our farmers. As a matter of observation, it would appear that, unless this limitation is accepted, there are a great many Members here who would be inclined to seriously doubt the overall impact of the bill as the best projection, in the public interest, that this House can legislatively achieve.

I believe that the general public is very well aware, now, that under present law, there is no limit at all on the amount a farmer grower can be paid by the Federal Government for not planting crops. Repeated evidence and publicity has been submitted and generated throughout the communications media that under the present "no limit" subsidy, five payments of more than $1 million each were paid out by the Government, last year, for the three crop categories involved—cotton, wheat, and feed grains. On their face, these figures, and a tremendous number of other substantial payments, are so unconscionably large, as virtual taxpayers bonuses for not producing, that they have caused the American consumer to lose their confidence in this very complicated program to give the members of our farm industry the reasonable encouragement they need, at minimum charge to the American taxpayer.

Let us realize that, all told, through the working of present Government production control programs, no fewer than 50 million acres were idle last year. Simply put, this means we are faced with a continuing procedure whereby fewer and fewer farmers are growing more and more food and fiber on smaller and smaller acreages. Meanwhile, despite the fact of abundant supplies, the cost of staples at supermarket counters remains very high and, thus far, there seem to be very few, if any, workable plans projected to correct this topsy-turvy situation, which is not good for the great majority of farmers and is certainly not helpful to the great majority of American consumers.

Nobody, I am sure, argues that farmers must be penalized for the advances of farm technology and his own efficiency. Surely and truly, they have as much right to a fair return on their labor and investments as any other group in our society. The basic challenge that we face here, I think, is the projection of a type of limited and equitably applied subsidy that will tend to insure both adequate income to farmers and as low prices as possible to consumers.

Our present agony of inflation, affecting every American, heightens the necessity and our legislative obligation to seek and find a just and equitable support program, and the establishment of a $20,000 farm payment limit represents a giant step toward that economically wholesome objective in the overall national interest.

Mr. CONTE. Mr. Chairman, as requested earlier, I want to include some extraneous matter at this point in the RECORD.

As I have said many times, an essential ingredient for the success of any payment ceiling is that it be administered rigorously to prevent evasion by such means as subdividing of large farms into smaller units.

In order to establish the legislative history indicating that there should be firm efforts to prevent evasion I inserted in the RECORD yesterday, at page H7687, a number of suggested regulations for the Secretary of Agriculture to implement.

I have stressed that only a privileged few producers would be affected by a ceiling of $20,000 per crop—only 9,042 or less than four-tenths of 1 percent of the total of over 2.3 million producers in these programs. I include at the close of these remarks a list of key facts regarding the $20,000 ceiling which break down this information for each of the programs affected, and a table indicating the number of producers affected in each State.

Finally, Mr. Chairman, as I have said many times, the overwhelming number of taxpayers, including many family-sized farmers support a realistically low ceiling. I want to share with my colleagues a small sampling of the literally hundreds of letters from people from all over the country that I have received in support of my efforts to limit these giant farm subsidy payments.

The material referred to follows:

KEY FACTS RE $20,000 PER CROP PAYMENT LIMITATION

NUMBER OF PRODUCERS RECEIVING CHECKS OF $20,000 OR MORE

	1968	1969	Percent increase
Cotton producers	5,249	6,194	+18
Feed grain producers	877	1,482	+69
Wheat producers	741	1,123	+52
Wool producers	282	243	−14
Total affected		9,042	

TOTAL PAYMENTS TO PRODUCERS RECEIVING $20,000 OR MORE IN 1969

	Total payments	Amount in excess of $20,000 per producer
Cotton producers	$262,623,000	$138,743,000
Feed grain producers	48,212,000	18,572,000
Wheat producers	34,131,000	11,671,000
Wool producers	7,681,000	2,821,000
Potential reductions in Government expenditures with $20,000 limitation		171,807,000

PERCENTAGES OF PRODUCERS AFFECTED BY $20,000 LIMIT

Cotton producers	1.4 percent of 445,155.
Feed grain producers	0.1 percent of 1,641,863.
Wheat producers	0.1 percent of 995,331.
Wool producers	0.1 percent of 193,371.
Total	0.4 percent of 2,318,862.

PERCENTAGES OF TOTAL PRODUCTION AFFECTED BY $20,000 LIMIT

Cotton production	31.7
Feed grain	2.9
Wheat	4.0
Wool	12.5

NUMBER OF PRODUCERS RECEIVING $20,000 OR MORE

From each of 2 programs (1969)	390
From each of 3 programs (1969)	8

PRODUCERS RECEIVING $20,000 OR MORE FROM SPECIFIED PROGRAMS, 1969

State	Cotton	Feed grain	Wheat	Wool	Total
Alabama	244	5			249
Arizona	541	33	1	8	583
Arkansas	633		2		635
California	883	93	46	24	1,046
Colorado		36	91	16	143
Delaware					
Florida	2	5			7
Georgia	178	31	1		210
Hawaii					
Idaho		1	81	23	105
Illinois		108	2		110
Indiana		78			78
Iowa		110	1		111
Kansas		54	94		148
Kentucky		7			7
Louisiana	288				288
Maine					
Maryland		3			3
Michigan		8			8
Minnesota		52	6		58
Mississippi	1,313	5	1		1,319
Missouri	65	78			143
Montana			143	8	151
Nebraska		120	14	1	135
Nevada	2		3	9	14
New Jersey					
New Mexico	96	79	53	9	237
New York		1			1
North Carolina	38	14			52
North Dakota		4	49		53
Ohio		18	2		20
Oklahoma	29	6	37		72
Oregon		2	69	2	73
Pennsylvania		7			7
South Carolina	201	6			207
South Dakota		12	25	2	39
Tennessee	82	3			85
Texas	1,599	480	176	67	2,322
Utah			12	14	26
Virginia		2			2
Washington		3	212	5	220
Wisconsin		18			18
Wyoming			2	55	57
U.S. total	6,194	1,482	1,123	243	9,042

EDMORE, N. DAK.

I am writing you concerning the Farm Bill and the limit on payments. I see by the newspaper that you are for a small limit. I hope you will stick with it and get the limit lowered to help the small farmers.

I am a family-sized farmer with a section of land in North Dakota. My payment this year after taking or cutting my wheat and feed grains came to $5,200. Last year the payment was $3,900 because I didn't cut my wheat acres. My income taxes this winter came to about what I was making farming. I talked with many of my neighbors and they were in the same situation: clearing about what the payment was. So you see the family farmers need this program. The government should help us to make a living and produce cheap food for the consumers. But does it owe the large farmers a large amount so that they can make money on the farm program.

I know a lot of large farmers that are farming land just for the government payment. If we had a small limit, under $10,000 or may-

be even as low as $5,000, which is what the welfare figures report that a family needs for a decent living, the large farmers could raise all they want on the world market.

So I hope you will insist on a small limit, because if you can't help the small farmer, at least don't help the large ones over-run us. Thank you.

ARNNOLD INGULSUND.

PLYMOUTH, IND.

I wish you success in your fight for lower farm subsidy limits. This is a particularly bad time to continue such a waste of money.

This program should not guarantee profits at the Taxpayer's expense.

BERNHARD F. TELLKAMP.

ROCKWELL, TEX.

I wish to offer my support to curb the farm subsidy graft racket. I think the $20,000 proposal could even be cut in half. I think you should urge your colleagues to slow down on so much graft that has lasted far too long.

J. H. DUNN.

SAN DIEGO, CALIF.

I listened as you talked today, over FABC Los Angeles, and on the Michael Jackson program.

I appreciate, so much, your efforts and superb intelligence on these farm subsidies, that I was impelled to sit right down to thank you.

You have much courage since you are well aware of the opposing forces against you . . . I am encouraged to know we have men such as you in Congress. Thank you.

Mr. and Mrs. FERD S. THEBUS.

PITTSBURGH, PA.

You are not from our bailiwick, but we support your challenging the $55,000 farm subsidy.

Mrs. MARY JO LILLY.

TRENTON, N.J.

I am pleased that a Congressman from my native state is zeroing in on the "fat cat farmers waxing rich on farm subsidies."

It is good to know you are making this effort in the interest of people who work for wages and salaries.

Mr. PETER CONTARDO.

CULLMAN, ALA.

Congratulations on your leading the drive in the House to go along with the Senate in putting a $20,000 limit per crop in the new farm bill.

Won't you please try to come up with a bill more helpful to the small farmer. Actually that was the purpose of the farm program in the first place.

Mrs. EDNA E. ARNOLD.

FAIRFIELD, N. DAK.

In a recent local paper it was stated that you were in favor of a $20,000 Agricultural payment ceiling that possibly will be decided in the near future. . . . I to favor the $20,000 ceiling.

WALTER HLEBECHUK.

GOLDSBORO, N.C.

According to news reports you and Rep. Findley are in favor of limiting the ceiling on annual federal subsidies to farmers to $20,000 per crop. That is quite enough and I agree that this should be the limit.

Our national debt and our federal spending are too high in many areas now. Already there are rumors that taxes will have to be increased next year if the federal budget deficit is too high.

As a taxpayer I am in favor of reducing the federal budget and federal spending now before we have a deficit and your effort to limit subsidies to farmers is an excellent way to start.

I hope that your effort to limit the subsidies is successful.

Mrs. ELIZABETH N. WRIGHT.

MARYSVILLE, KANS.

In our local newspaper yesterday we read that the Agriculture Committee has supported a $55,000 farm subsidy ceiling on each crop. The past weeks the news has been a $20,000 ceiling. There is a vast difference in this.

Also in this article it said you were opposed to the $55,000 ceiling and called it ridiculous. And we want to tell you how glad we are that someone in Congress has a little intelligence.

We are small ordinary farmers, growing wheat and grains and own and operate a 400 acre farm, but there are times when we don't make expenses and feel it is past time for the Agriculture Committee to do something about this. Unless there is, five years from now the farmers will be these men who receive this $55,000 subsidy. Our understanding of the subsidy payments was to help keep the farmer alive instead of helping the rich.

The farmer has lost all pride, and farm prices are at depression level with expenses higher each time you pay them. We often feel that no one cares about the farmer, and then we read about your remark showing us you are concerned and it gives us a lift. Thank you.

Mr. and Mrs. DON BREEDING.

NAVASATE, TEX.

Thank you for your work in opposing the continuation of the farm subsidies as they have been paid the past several years.

Please hold out for a maximum of $20,000 to any farmer or farm for all crops. Also please include in the new program clear rules against subdividing ownership to circumvent the rules. Thank you.

Mr. W. E. GIBSON.

The CHAIRMAN pro tempore. If there are no further amendments, under the rule, the committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, pursuant to House Resolution 1865, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. TEAGUE of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TEAGUE of California. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TEAGUE of California moves to recommit the bill H.R. 18546 to the Committee on Agriculture with instructions to report the same back forthwith with the following amendment: Strike out all of titles I, IV, V, VI and VIII, and renumber titles II, III and VII as titles, I, II and III respectively.

Mr. POAGE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the "nays" appeared to have it.

Mr. TEAGUE of California. Mr. Speaker, regretfully, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 167, nays 218, not voting 45, as follows:

[Roll No. 256]

YEAS—167

Adair	Ford, William D.	Patten
Adams	Frey	Pettis
Addabbo	Fulton, Pa.	Pike
Anderson, Calif.	Gibbons	Pirnie
Ashbrook	Gilbert	Poff
Barrett	Goodling	Price, Ill.
Beall, Md.	Green, Pa.	Pucinski
Bell, Calif.	Griffiths	Reid, N.Y.
Bennett	Grover	Reuss
Betts	Gubser	Riegle
Biaggi	Gude	Robison
Biester	Haley	Rodino
Bingham	Halpern	Roe
Boland	Hanley	Rogers, Colo.
Bow	Hanna	Rogers, Fla.
Bray	Harrington	Rooney, Pa.
Broomfield	Harsha	Rosenthal
Brotzman	Harvey	Roth
Brown, Calif.	Hastings	Rousselot
Brown, Mich.	Hechler, W. Va.	Roybal
Brown, Ohio	Heckler, Mass.	Ruppe
Burke, Fla.	Helstoski	St Germain
Button	Hicks	Sandman
Byrne, Pa.	Hogan	Satterfield
Carey	Hosmer	Saylor
Cederberg	Hunt	Scheuer
Chamberlain	Hutchinson	Schmitz
Chappell	Jacobs	Schneebeli
Chisholm	Johnson, Pa.	Scott
Clancy	Kee	Shipley
Clausen, Don H.	Keith	Slack
Clawson, Del	Koch	Smith, Calif.
Cleveland	Kyros	Smith, N.Y.
Cohelan	Landgrebe	Staggers
Conable	Latta	Stanton
Conte	Long, La.	Stokes
Corbett	Lukens	Stratton
Corman	McClory	Sullivan
Coughlin	McCulloch	Taft
Cowger	McDade	Talcott
Crane	McDonald, Mich.	Teague, Calif.
Daniels, N.J.	McEwen	Vander Jagt
Davis, Wis.	Mailliard	Watkins
Delaney	Marsh	Whalen
Dellenback	Martin	Whalley
Dennis	Melcher	Widnall
Derwinski	Minish	Wiggins
Devine	Minshall	Williams
Dwyer	Monagan	Wold
Edwards, Calif.	Morse	Wolff
Eilberg	Mosher	Wyatt
Esch	Nix	Wydler
Eshleman	O'Hara	Wylie
Farbstein	O'Neill, Mass.	Wyman
Fish	Ottinger	Yatron
		Zablocki
		Zion

NAYS—218

Abbitt	Friedel	Moss
Abernethy	Fuqua	Murphy, Ill.
Albert	Galifianakis	Murphy, N.Y.
Alexander	Garmatz	Myers
Anderson, Ill.	Gaydos	Natcher
Anderson, Tenn.	Gettys	Nelsen
Andrews, Ala.	Giaimo	Nichols
Andrews, N. Dak.	Gonzalez	Obey
Annunzio	Green, Oreg.	O'Konski
Arends	Griffin	Olsen
Ashley	Gross	O'Neal, Ga.
Aspinall	Hagan	Passman
Ayres	Hall	Patman
Belcher	Hamilton	Pepper
Berry	Hammer-schmidt	Perkins
Bevill	Hansen, Idaho	Philbin
Blackburn	Hansen, Wash.	Pickle
Blanton	Hathaway	Poage
Blatnik	Hays	Podell
Boggs	Hébert	Preyer, N.C.
Brademas	Henderson	Price, Tex.
Brinkley	Holifield	Pryor, Ark.
Brock	Horton	Purcell
Brooks	Howard	Quie
Broyhill, N.C.	Hull	Railsback
Broyhill, Va.	Hungate	Randall
Buchanan	Jarman	Rarick
Burke, Mass.	Johnson, Calif.	Rees
Burlison, Mo.	Jonas	Reid, Ill.
Burton, Calif.	Jones, Ala.	Reifel
Burton, Utah	Jones, N.C.	Rhodes
Bush	Jones, Tenn.	Rivers
Byrnes, Wis.	Kastenmeier	Roberts
Cabell	Kazen	Rooney, N.Y.
Caffery	Kleppe	Ruth
Camp	Kluczynski	Schadeberg
Carter	Kuykendall	Scherle
Celler	Kyl	Schwengel
Clark	Landrum	Sebelius
Collier	Langen	Shriver
Collins	Leggett	Sikes
Colmer	Lennon	Sisk
Culver	Lloyd	Skubitz
Daniel, Va.	Long, Md.	Smith, Iowa
Davis, Ga.	Lowenstein	Snyder
de la Garza	McCloskey	Springer
Denney	McClure	Steed
Dickinson	McFall	Steiger, Ariz.
Dingell	McKneally	Steiger, Wis.
Donohue	McMillan	Stephens
Dorn	Macdonald, Mass.	Stubblefield
Dowdy	MacGregor	Stuckey
Downing	Madden	Taylor
Dulski	Mahon	Teague, Tex.
Duncan	Mann	Thomson, Wis.
Eckhardt	Mathias	Udall
Edmondson	Matsunaga	Ullman
Edwards, Ala.	May	Van Deerlin
Edwards, La.	Mayne	Vanik
Evans, Colo.	Meeds	Vigorito
Fascell	Michel	Waggonner
Feighan	Mikva	Waldie
Findley	Miller, Calif.	Wampler
Fisher	Miller, Ohio	Watson
Flood	Mills	Watts
Flowers	Mink	White
Flynt	Mize	Whitehurst
Foley	Mizell	Whitten
Ford, Gerald R.	Mollohan	Wilson, Charles H.
Foreman	Montgomery	Winn
Fountain	Moorhead	Yates
Fraser	Morgan	Zwach
Frelinghuysen	Morton	

NOT VOTING—45

Baring	Fallon	Powell
Bolling	Fulton, Tenn.	Quillen
Brasco	Gallagher	Rostenkowski
Burleson, Tex.	Goldwater	Roudebush
Casey	Gray	Ryan
Clay	Hawkins	Stafford
Conyers	Ichord	Symington
Cramer	Karth	Thompson, Ga.
Cunningham	King	Thompson, N.J.
Daddario	Lujan	Tiernan
Dawson	McCarthy	Tunney
Dent	Meskill	Weicker
Diggs	Nedzi	Wilson, Bob
Erlenborn	Pelly	Wright
Evins, Tenn.	Pollock	Young

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Karth for, with Mr. Hawkins against.

Mr. Dent for, with Mr. Burleson of Texas against.

Mr. Ryan for, with Mr. Evins of Tennessee against.

Mr. Brasco for, with Mr. Young against.

Mr. Nedzi for, with Mr. Wright against.

Mr. Clay for, with Mr. Tunney against.

Mr. Conyers for, with Mr. Fallon against.

Mr. Stafford for, with Mr. Fulton of Tennessee against.

Mr. Diggs for, with Mr. Casey against.

Mr. Erlenborn for, with Mr. Dawson against.

Mr. Lujan for, with Mr. Quillen against.

Mr. King for, with Mr. Thompson of Georgia against.

Mr. Goldwater for, with Mr. Cunningham against.

Until further notice:

Mr. Thompson of New Jersey with Mr. Weicker.

Mr. Gallagher with Mr. Cramer.

Mr. Tiernan with Mr. Roudebush.

Mr. Daddario with Mr. Meskill.

Mr. Ichord with Mr. Pollock.

Mr. Rostenkowski with Mr. Pelly.

Mr. Gray with Mr. Bob Wilson.

Mr. Baring with Mr. McCarthy.

Mr. Symington with Mr. Powell.

Mr. TALCOTT and Mr. YATRON changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 212, nays 171, not voting 47, as follows:

[Roll No. 257]

YEAS—212

Abbitt	Edwards, Ala.	Lukens
Abernethy	Edwards, La.	McClory
Albert	Evans, Colo.	McCloskey
Alexander	Feighan	McClure
Anderson, Ill.	Fisher	McCulloch
Anderson, Tenn.	Flowers	McFall
Andrews, Ala.	Flynt	McKneally
Andrews, N. Dak.	Foley	McMillan
Annunzio	Ford, Gerald R.	MacGregor
Arends	Foreman	Mahon
Aspinall	Fountain	Mann
Ayres	Fraser	Mathias
Belcher	Frelinghuysen	Matsunaga
Berry	Friedel	May
Betts	Fuqua	Mayne
Bevill	Galifianakis	Meeds
Blackburn	Garmatz	Michel
Blatnik	Gettys	Miller, Calif.
Boggs	Gonzalez	Miller, Ohio
Boland	Green, Oreg.	Mills
Bow	Griffin	Mink
Brinkley	Griffiths	Mize
Brock	Gross	Mizell
Brooks	Hagan	Mollohan
Broyhill, N.C.	Hall	Montgomery
Buchanan	Hamilton	Murphy, Ill.
Burke, Mass.	Hammer-schmidt	Murphy, N.Y.
Burlison, Mo.	Hansen, Idaho	Myers
Burton, Calif.	Hansen, Wash.	Natcher
Burton, Utah	Harsha	Nelsen
Bush	Hathaway	Nichols
Byrnes, Wis.	Hays	Obey
Cabell	Hébert	O'Konski
Caffery	Henderson	Olsen
Camp	Holifield	O'Neal, Ga.
Carter	Horton	O'Neill, Mass.
Cederberg	Hull	Passman
Celler	Hungate	Patman
Collins	Jarman	Pepper
Colmer	Johnson, Calif.	Perkins
Culver	Jonas	Pickle
Daniel, Va.	Jones, Ala.	Poage
Davis, Ga.	Jones, N.C.	Podell
Davis, Wis.	Jones, Tenn.	Poff
de la Garza	Kastenmeier	Preyer, N.C.
Denney	Kazen	Price, Tex.
Dickinson	Kleppe	Pryor, Ark.
Dingell	Kluczynski	Purcell
Dorn	Kuykendall	Quie
Dowdy	Kyl	Railsback
Downing	Landrum	Randall
Dulski	Langen	Rarick
Duncan	Latta	Rees
Eckhardt	Lennon	Reid, Ill.
Edmondson	Lloyd	Reifel
	Long, La.	Rhodes
		Riegle
		Rivers
		Roberts
		Rogers, Colo.
		Rogers, Fla.
		Rooney, N.Y.
		Ruppe
		Ruth
		Schadeberg
		Scherle
		Schwengel
		Sebelius
		Shriver
		Sikes
		Sisk
		Skubitz
		Smith, Iowa
		Snyder
		Springer
		Stanton
		Steed
		Steiger, Ariz.
		Steiger, Wis.
		Stephens
		Stubblefield
		Stuckey
		Sullivan
		Taft
		Taylor
		Teague, Tex.
		Thomson, Wis.
		Udall
		Ullman
		Vigorito
		Waggonner
		Wampler
		Watson
		Watts
		White
		Whitehurst
		Whitten
		Wilson, Charles H.
		Winn
		Wylie
		Zwach

NAYS—171

Adair	Fish	Morton
Adams	Flood	Mosher
Addabbo	Ford, William D.	Moss
Anderson, Calif.	Frey	Nix
Ashbrook	Fulton, Pa.	O'Hara
Ashley	Gaydos	Ottinger
Barrett	Giaimo	Patten
Beall, Md.	Gibbons	Pettis
Bell, Calif.	Gilbert	Philbin
Bennett	Goodling	Pike
Biaggi	Green, Pa.	Pirnie
Biester	Grover	Price, Ill.
Bingham	Gubser	Pucinski
Brademas	Gude	Reuss
Bray	Haley	Robison
Broomfield	Halpern	Rodino
Brotzman	Hanley	Roe
Brown, Calif.	Hanna	Rooney, Pa.
Brown, Mich.	Harrington	Rosenthal
Brown, Ohio	Harvey	Roth
Broyhill, Va.	Hastings	Rousselot
Burke, Fla.	Hechler, W. Va.	Roybal
Button	Heckler, Mass.	St Germain
Byrne, Pa.	Helstoski	Sandman
Carey	Hicks	Satterfield
Chamberlain	Hogan	Saylor
Chappell	Hosmer	Scheuer
Chisholm	Howard	Schmitz
Clancy	Hunt	Schneebeli
Clark	Hutchinson	Scott
Clausen, Don H.	Jacobs	Shipley
Clawson, Del	Johnson, Pa.	Slack
Cleveland	Kee	Smith, Calif.
Cohelan	Keith	Smith, N.Y.
Collier	Koch	Staggers
Conable	Kyros	Stokes
Conte	Landgrebe	Stratton
Corbett	Leggett	Talcott
Corman	Long, Md.	Teague, Calif.
Coughlin	Lowenstein	Van Deerlin
Cowger	McDade	Vander Jagt
Crane	McDonald, Mich.	Vanik
Daniels, N.J.	McEwen	Waldie
Delaney	Macdonald, Mass.	Watkins
Dellenback	Madden	Whalen
Dennis	Mailliard	Whalley
Derwinski	Marsh	Widnall
Devine	Martin	Wiggins
Donohue	Melcher	Williams
Dwyer	Mikva	Wold
Edwards, Calif.	Minish	Wolff
Eilberg	Minshall	Wyatt
Esch	Monagan	Wydler
Eshleman	Moorhead	Wyman
Farbstein	Morgan	Yates
Fascell	Morse	Yatron
Findley		Zablocki
		Zion

NOT VOTING—47

Baring	Fallon	Quillen
Blanton	Fulton, Tenn.	Reid, N.Y.
Bolling	Gallagher	Rostenkowski
Brasco	Goldwater	Roudebush
Burleson, Tex.	Gray	Ryan
Casey	Hawkins	Stafford
Clay	Ichord	Symington
Conyers	Karth	Thompson, Ga.
Cramer	King	Thompson, N.J.
Cunningham	Lujan	Tiernan
Daddario	McCarthy	Tunney
Dawson	Meskill	Weicker
Dent	Nedzi	Wilson, Bob
Diggs	Pelly	Wright
Erlenborn	Pollock	Young
Evins, Tenn.	Powell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Burleson of Texas for, with Mr. Karth against.

Mr. Evins of Tennessee for, with Mr. Dent against.

Mr. Hawkins for, with Mr. Ryan against.

Mr. Young for, with Mr. Brasco against.

Mr. Wright for, with Mr. Nedzi against.
Mr. Tunney for, with Mr. Clay against.
Mr. Fallon for, with Mr. Conyers against.
Mr. Fulton of Tennessee for, with Mr. Erlenborn against.
Mr. Casey for, with Mr. Diggs against.
Mr. Blanton for, with Mr. Stafford against.
Mr. Quillen for, with Mr. Reid of New York against.
Mr. Lujan for, with Mr. King against.
Mr. Thompson of Georgia for, with Mr. Goldwater against.

Until further notice:

Mr. Thompson of New Jersey with Mr. Cunningham.
Mr. Daddario with Mr. Meskill.
Mr. Gallagher with Mr. Pelly.
Mr. Gray with Mr. Roudebush.
Mr. Rostenkowski with Mr. Pollock.
Mr. Tiernan with Mr. Cramer.
Mr. Ichord with Mr. Weicker.
Mr. Baring with Mr. Bob Wilson.
Mr. McCarthy with Mr. Symington.
Mr. Powell with Mr. Dawson.

Mr. BUTTON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and to include extraneous matter in connection with the bill just passed.

The SPEAKER pro tempore (Mr. ANDERSON of Tennessee). Is there objection to the request of the gentleman from Texas?

There was no objection.

CHANGE OF LEGISLATIVE PROGRAM

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, I take this time for the purpose of advising Members as to the program for the remainder of this week. I see the distinguished minority leader is present.

Mr. Speaker, on tomorrow the first important order of business will be the conference report on the Postal Reorganization and Salary Adjustment Act, H.R. 17070.

That will be followed by consideration of the bill (S. 1933) Railroad Safety and Hazardous Materials Control, under an open rule with 2 hours of debate. The bill has been previously announced on the program for this week.

May I further advise the Members that we will not have a session on Friday of this week, but we will certainly have one next week.

THE PERIPHERAL CANAL—COME HELL OR LOW WATER

(Mr. WALDIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WALDIE. Mr. Speaker, I was more than a little concerned to read in the current newsletter of the California Water Resources Association that a high official of the Department of Interior has expressed his "excitement" about a controversial public works project that has yet to come under the scrutiny of the Environmental Quality Council.

James Watt, Deputy Assistant Secretary of Interior for Water and Power, told a meeting of the Los Angeles Chamber of Commerce that this project, the proposed Peripheral Canal, is "urgently needed by both State and Federal water conservation programs."

He also praised the "thorough procedures" used by the State of California in evaluating the Peripheral Canal and went so far as to say, "We in Washington are excited about this project."

One can only deduce from Mr. Watt's comments before his Los Angeles audience—and I might add at this time that the Metropolitan Water District of Southern California which is well represented on the Los Angeles Chamber of Commerce Water and Power Committees, is a principal beneficiary of the Peripheral Canal project—that it is his belief that the proposed project will encounter little hindrance from the Secretary of Interior prior to being sent to the Congress for authorization.

Equally disturbing to me, Mr. Speaker, were Mr. Watt's comments regarding those concerned Californians opposed to the Peripheral Canal project.

According to the California Water Resources Association newsletter, Mr. Watt "warned that extremist views of some nature preservationists are pushing the pendulum too far."

I find Mr. Watt's comments premature at best both as to the merits of the project itself and to the "thoroughness" of the State in evaluating the Peripheral Canal feasibility report.

The chairman of the Environmental Quality Council, Mr. Russell Train, just last week informed me of the concern of the council with regard to the environmental impact of the Peripheral Canal. He wrote me that he has directed his staff to undertake a study of the project and is awaiting a report from the Bureau of Reclamation on the environmental aspects of the project in compliance with section 102 of the Environmental Protection Act of 1969.

All these things, Mr. Speaker, would seem to support the contention that the proposed Peripheral Canal has probable questionable environmental defects that warrant a thorough study.

Additionally, Mr. Speaker, subsequent to Mr. Watt's speech in Los Angeles, the U.S. Geological Survey issued a report which indicates that diversion of Delta fresh water inflows through the Peripheral Canal to the proposed Federal and State water projects, will result in dimunition of water quality in San Francisco Bay.

The Peripheral Canal is the conveyance system whereby this diversion will be accomplished.

Mr. Speaker, the Peripheral Canal feasibility reports sent to the State of California and evaluated by the State does not contain any data as to the effect of the canal on bay water quality. Yet the U.S. Geological Survey report makes this relationship between the canal and the bay quite clear.

I would say that this omission detracts from the glowing commendation of the State's "thoroughness" given by the Deputy Assistant Secretary, Mr. Watt.

Finally, Mr. Speaker, I think it is important to question Mr. Watt's qualifications for making such a sweeping and in my opinion, premature, statements.

Mr. Watt formerly served as Secretary of the Natural Resources Committee of the Chamber of Commerce of the United States and headed the chamber's efforts to undermine the water quality legislation passed by the Congress under the previous administration.

At hearings held by the Senate Interior Committee on the nomination of Walter J. Hickel as Secretary of Interior, Senator EDMUND S. MUSKIE said:

> Mr. Watt has been in the forefront of those who have undertaken to challenge the authority of the Secretary of the Interior to require secondary treatment and to adopt what has been referred to as the nondegredation rule.

Senator MUSKIE said he had reviewed the chamber's—Watt's—brief that was solicited or obtained by the chamber on the matter of nondegredation and challenging the Secretary of Interior, and said:

> If the point of view of the Chamber of Commerce of the United States on these two points were to be adopted, in my judgment it would destroy the water quality standards program as it is now established in law.

Subsequent to the hearings, and to the confirmation of Secretary Hickel by the Senate, Mr. Watt was hired on a temporary consultant basis. On February 11, 1970, then—Under Secretary Russell Train was reported in the New York Times to have said of Watt:

> We have no intention of putting him in a policy-making position.

However, Senator WILLIAM PROXMIRE said it was his understanding that Watt would be given a permanent post in the Interior Department.

Mr. PROXMIRE said:

> I think the appointment of a man who is so identified with the private interests can only create a credibility gap between your (Hickel's) statements of concern for the public interest and your actions as Secretary of Interior. (New York Times, February 11, 1970.)

Watt was later appointed to his present post as Deputy Assistant Secretary for Water and Power.

I am concerned, Mr. Speaker, that perhaps Deputy Assistant Secretary Watt is speaking for the administration and that the Peripheral Canal, despite evidence of grave environmental consequences and despite the concern of the Environmental Quality Council about these consequences, has been preordained to be "urgently needed" and that it has evoked "excitement" in Washington.

I would take this opportunity, Mr. Speaker, to renew my strong desire for a full environmental study into this project, especially in the light of the conclusions of the recent U.S. Geological Survey report, and that the feasibility

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 1970

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs

established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f)

shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary

determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers

under the order, shall ninety days later, pursuant to the provisions of section 8c (5) (D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f) : *Provided,* That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all pro-

ducers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "*Provided further,* That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "*Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31,

1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b (c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected

yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed,

crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided,* That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided,* That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land

diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as

the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall issue certificates to producers,

as soon as practicable after July 1 of the year in which the crop is harvested, at preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates so issued shall not be reduced if the face value as finally determined is less than the preliminary face value.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents. marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a) (1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on

the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish

a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production

of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeed-

ing crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive payment for such portion of

the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d(b) the following:

"Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat."

(3) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by the amount by which the actual total production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for the current crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "*Provided,* That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be

made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (c) (2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines

was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as deter-

mined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall

such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide

for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e) (1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided,* That except for acreage provided for in subsection (b) (3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b) (3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b) (3).

"(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts

as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, pro-

claim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided,* That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided,* That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic

Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basic of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national

cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b) : *Provided*, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e) (1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in mak-

ing adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton: *Provided,* That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such

terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequi-

ties or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided*, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103 (e) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the

transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e) (1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.

"(2) In addition, the Secretary shall make available to

cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year

caused by drought, flood, or other natural disaster: *Provided,* That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

"(4) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other com-

modities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and

the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e) (6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil

Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided*, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been

established who has set aside the acreage required under section 103 (e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89–321 (79 Stat. 1210) is amended as follows:

By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of

1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401 (a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83–480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "*Provided*,

That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secretary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review

applications of farmers for the public land use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action

will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such

action. The term 'rural areas', for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such

years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 through 1973 crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

Passed the House of Representatives August 5, 1970.

Attest: W. PAT JENNINGS,

Clerk.

91ST CONGRESS
2D SESSION

H. R. 18546

AN ACT

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

AUGUST 6, 1970

Read twice and referred to the Committee on Agriculture and Forestry

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of August 19, 1970
91st-2nd; No. 144

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HOUSE

Not in session.

SENATE

1. AGRICULTURE AND FORESTRY COMMITTEE ACTION

PLANT VARIETIES. Voted to report (but did not actually report) S. 3070 to encourage development of novel varieties of plants.

FARM BILL. Resumed consideration of H.R. 18546, the proposed Agricultural Act of 1970, but did not conclude action.

REORGANIZATION PLAN No. 3: Considered Reorganization Plan No. 3 to establish an independent Environmental Protection Agency. p. D928

CREDIT UNIONS. Committee on Banking and Currency reported with amendments, S. 3822, to provide insurance for member accounts in State and federally chartered credit unions. S. Rept. 91-1128, p. S13726

2. FARM BILL. Sen's. Smith of Ill. and Williams, Del., submitted amendment No. 846, to farm bill (H.R. 18546) to establish improved programs for the benefit of

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, and to extend the Agricultural Trade Development and Assistance Act of 1954. To Agriculture and Forestry Committee. p. S13733

3. ELECTRIFICATION; FUELS. Sen. Gore discussed the energy, fuels crisis and stated that "We are faced with a disturbingly dangerous crisis in our supplies of fuels for the generation of electricity and without ample and reasonably priced electrical energy our whole national economy will be endangered." pp. S13764-6

4. RECREATION. Sen. Moss, Utah, deplored the cut in funds for Flaming Gorge National Recreation Area and inserted an editorial "Federal Economy Ax Cuts Funds for Flaming Gorge Development". p. S13770

EXTENSIONS OF REMARKS

5. APPROPRAITIONS. Rep. Mahon inserted the report of the Joint Committee on Reduction of Federal Expenditures for the month of August. pp. E7799-7802
Sen. Hart inserted tabulations of H.R. 16916, Office of Education Appropriation bill which were omitted from August 18th Record. pp. E7806-57

BILL INTRODUCED

6. GRANTS-IN-AID; WASTE FACILITIES. S. 4265, Hatfield. To amend section 306 of the Consolidated Farmers Home Administration Act to increase the aggregate annual limit on grants for water and waste facilities constructed to serve rural areas and to increase the aggregate annual limit on grants for plans for the development of such facilities; to Agriculture and Forestry Committee. Remarks of author, pp. 13722-30.

NEW PUBLIC LAW

H.R. 16916, fiscal 1971 appropriations for the Office of Education. Bill passed over Presidential veto. August 18, 1970 (Public Law 91-380)

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COMMITTEE HEARINGS ANNOUNCEMENTS AUGUST 20:
Farm program, S. Agriculture and Forestry (exec.)
Secretary Hardin to testify.
Housing and urban development legislation, S. Banking and Currency (exec.)

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DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of August 28, 1970
91st-2nd; No. 151

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HIGHLIGHTS: Senate Committee reported farm bill with amendment. p. S14487

SENATE

1. FARM BILL. Committee on Agriculture and Forestry reported H.R. 18546, the proposed Agricultural Act of 1970, with an amendment (S. Rept. 91-1154). p. S14487

2. RURAL HOUSING. Passed with amendment, S. 3330, to authorize rural housing loans to lessees of non-farm land. p. S14482

3. FOREIGN TRADE. Senators Hansen, McIntyre and Bellmon took issue with the comments of a member of the Council of Economic Advisers who charged that import quotas represent a "know-nothing" approach to foreign trade. pp. S14483-5

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4. FREIGHT RATES. Senators Mansfield and Hansen deplored the proposed 15% freight rate increase and called for action by the ICC to correct the freight car situation. pp. S14485-6

5. ECONOMY. Sen. Dole stated that defense spending is almost back to the 1965 level and he inserted a report by the Vice President on the economic progress to date. pp. S14518-9

6. MEAT IMPORTS. Sen. Javits discussed meat import quotas and placed in the Record the Rockefeller memorandum on beef imports as delivered to the President on July 11. pp. S14523-4

BILLS APPROVED BY THE PRESIDENT

7. COOPERATIVES. H.R. 17711, to provide that regulations pertaining to licensing of money lenders in the District of Columbia shall apply to legitimate business associations and their members. Approved August 20, 1970 (Public Law 91-385).

8. FISHERIES. S. 3102, to extend the term during which the Secretary of the Interior can make fisheries loans. Approved August 24, 1970 (Public Law 91-387).

9. DUTIES. H.R. 14956, to extend until September 30, 1972, the duty-free treatment of various dyes and tanning materials, and increasing from 5 to 5½ percent the rate of interest payable on series E savings bonds. Approved August 24, 1970 (Public Law 91-388).

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COMMITTEE HEARINGS ANNOUNCEMENTS:
AUGUST 31: Family assistance, S. Finance
Consumer protection, S. Judiciary
Air pollution, S. Public Works
SEPT. 16: Peanut marketing quotas, H. Agriculture (Phillips, ASCS, to testify)

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Calendar No. 1172

91ST CONGRESS
2d Session

SENATE

REPORT
No. 91-1154

91-1154

AGRICULTURAL ACT OF 1970

SEPTEMBER 4, 1970.—Ordered to be printed
Filed under authority of the order of the Senate of August 28, 1970

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H.R. 18546]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

SHORT EXPLANATION

This bill is designed to assure comsumers of abundant supplies of food and fiber at fair and reasonable prices. It would protect farm prices and income, provide for exanding markets at home and abroad, minimize Government costs, and provide administrative flexibility to assure workability of programs.

It provides for a payment limitation, programs for milk, wool, wheat, feed grains, and cotton. It also extends Public Law 480 with minor amendments, provides for a long term cropland retirement program, a rural development program, and contains a number of miscellaneous provisions. Most of its provisions are effective only for 1971 through 1973.

48-010—70——1

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Agriculture's Contribution to the American Economy

It would be as difficult to exaggerate the impact of American agriculture on the American economy as it would be to describe fully its importance. American agriculture with its efficiency, increased production and productivity, advanced research efforts and contributions to the economy through export levels, labor use, purchasing power, and supply of raw materials must never be considered lightly. Farmers have always fed and clothed the American population, protected its resources, and looked ahead to the future. They have contributed toward feeding us less expensively and have allowed Americans to spend more of their take-home pay for luxuries they might never have afforded otherwise. Increased production levels have contributed greatly toward feeding hungry and malnourished Americans who would otherwise not be able to share in American abundance. Agriculture's contribution to American industry and to the American economy are extensive and certainly classify it as an industry of major importance to us all.

A picture of American industry would be bleak without the contributions of large volume purchases by farmers of goods and services. To produce crops and livestock farmers spend over $38 billion a year for goods and services and another $12 billion a year for food, clothing, drugs, and other essential consumer items. Five percent of total yearly steel production is bought by commercial farmers. This 6.5 million tons of steel is purchased in the form of farm machinery, trucks, fencing, and building materials. Farm industry use of steel amounts to about one-third as much as that of the automotive industry. In 1966 primary metals industries spent $2.2 billion for equipment and new machinery, while farmers bought $4.9 billion worth of tractors, machinery, equipment, and motor vehicles. Farmers spend over $4 billion yearly for fuel, lubricants, and maintenance of

vehicles and machinery, and use more petroleum products yearly than any other single U.S. industry. Yearly purchases of lime and fertilizer products run to slightly more than $2 billion. Of total rubber used in the United States, 7 percent—about 360 million pounds—is purchased by farmers. This is equivalent to the amount needed to put tires on 7.5 million automobiles. Two and one-half percent of the Nation's total yearly electricity production of 32 billion kilowatt-hours is used by farmers annually.

Farming as an industry employs more than 5 million workers. This figure represents more than the total number employed by transportation, public utilities, the steel industry and the automotive industries combined. An additional 3 million are paid as hired farmworkers. The increase in capital and mechanical inputs has freed valuable manpower to other vital and growing industries of the Nation and has created jobs outside agriculture itself.

Thirty percent of all jobs in private employment are agriculture related. Over 110,000 people are needed to produce farm equipment and more than 40,000 jobs are required to produce steel in products for farm use. The storage, transportation, processing, and merchandising of farm products employed some 8 to 10 million people in 1968. Meat preparation, packaging, and poultry dressing employs nearly 300,000; their payroll is close to $2 billion. Almost 240,000 people are employed in the production of dairy products at an approximate payroll of $1.5 billion. Baking industries pay out about $2 billion to 275,000 employees. Industries for processing fruits and vegetables employ almost 190,000 people who earn a total combined salary of over $800 million. Six million more Americans have jobs providing the supplies farmers use for production and for their personal comforts. Without the raw materials supplied by U.S. farmers which help to generate new jobs and new businesses, industry would be at a near standstill.

Agriculture's contribution to the American economy has been enormous. As a consumer in 1969, agriculture spent $6,634 million for feed—twice what it did in 1950 and nearly one and one-half times the amount in 1960. Purchases of livestock ran to $4,174 million—more than double the 1950 figure. Over $2 billion worth of lime and fertilizers were purchased by farmers in 1969.

As taxpayers in 1969, farmers paid $2.3 billion in farm real estate taxes, $446 million for personal property taxes, $1.9 billion in Federal and State income taxes, and $350 million in sales taxes. Interest payments on farm mortgages were more than $1,600 million. Nearly $3,192 million was paid to almost 3 million hired farmworkers in 1969. About $1.3 billion was made in rent payments. The people employed either directly in agriculture production or in agriculture-related industries helped substantially to keep unemployment figures low.

In 1968 agriculture assets were $281 billion, the equivalent of about two-thirds of the value of capital assets of all corporations in the United States, or about half the market value of all corporation stocks on the New York Stock Exchange.

Agriculture plays a vital role in creating a favorable balance of trade. Production from 1 of every 5 acres harvested is exported, making the United States the world's largest exporter of farm products accounting for 20 percent of world agricultural trade. In fiscal year

1970, record commercial sales for dollars pushed total agricultural exports past the $6.6 billion mark. This represented only slightly less than one-fifth of total nonagricultural exports for the same period. Fiscal 1970 marked the first time a single market purchaser of American farm goods, in this case Japan, had bought over $1 billion worth of products in 1 year. Exports of animals and animal products totaled $773 million; animal fats and oils, $213 million; dairy products, $109 million; poultry, $55 million; fruits, $341 million; and foreign sales of grains reached $2,348 million. With exports totaling over $6.6 billion and imports at $5,481 million, a favorable balance of trade in agricultural products was achieved.

If the American citizen is not fully aware of the importance of agriculture to U.S. industry or of its generous contribution to the well-being of the American economy, he certainly should realize what benefits he reaps as a consumer of agricultural products. The increased efficiency and use of modern know-how in the production, harvesting, and marketing of food and fiber products means that the consumer spends a smaller percentage of his take-home pay for a higher quality and a wider variety of products than ever before. Over the years farmers have succeeded in using advanced chemical fertilizers, pesticides, modern labor- and cost-saving machinery and sophisticated livestock breeding techniques to increase production levels, increase yields per acre and increase meat and poultry production with smaller amounts of cropland and labor hour inputs. Today's farmer produces over 20 percent more on 6 percent fewer acres than he did in 1957–59. He produces food and fiber to meet the needs of an increasing population with fewer man-hours of labor and a smaller farm labor force.

In 1950, there were 152 million people in the United States. The farm population was 23,048,000—about 15.3 percent of the total population. Farmers fed and clothed them by harvesting 336 million acres with an input of 15,137 million man labor-hours. Total farm production for the period from 1947 to 1949 was 85 (using 1957–59 = 100 base). By 1960, with an input of 9,795 million labor hours on 317 million acres, output was 106. In that year, when the U.S. population was increased to 180.7 million, the number of farmworkers had dropped to 15,635,000—8.7 percent of the total population. By 1968, farm efficiency had risen to the point where 10½ million farmworkers—only 5.2 percent of the U.S. population of over 201 million—could produce on only 297 million acres with 6,998 million labor hours enough food and fiber for the Nation. Farm output had risen to 120. Land released from production because of higher per acre yields has been allowed to rest and regain its fertility. Much of this diverted acreage is now used for conservation purposes.

Efficiency of the U.S. farmer means that productivity of the American farmworker in the 1960's increased by 6 percent a year, while in other industries the figure was only 3 percent. One farmworker today produces food, fiber, and other farm products for himself and 44 other Americans. Today 1 hour of farm labor produces seven times as much food and other crops as it did 50 years ago. Production sufficient to feed over 200 million people today uses only one-third the amount of labor as was required to meet the needs of only 91.9 million people in 1910. Output per man-hour on the farm increased by 83 percent from 1957–59 to 1969.

A look at the increased efficiency of American agriculture over the years is more impressive still when compared with figures from other countries. In 1968, when only 5.2 percent of our population fed, clothed, and helped to house us; in Canada the figure was 11 percent; in Denmark, 15 percent; in France, 18 percent; in West Germany, 11 percent; in Japan, 24 percent; and in the U.S.S.R., 32 percent. The gap becomes even wider with the realization that none of these nations produces the abundance and the amount of export commodities we do.

These increases in production and improvements in production efficiency have been reflected in better buys for consumers at the supermarket. Between the base-period years of 1947–49 and 1969 when the price of all items on the cost-of-living index rose by 57 percent, such things as rent increased by 63 percent and medical costs increased by 124 percent. However, in that same period, food costs rose only 48 percent. In 1969 the American consumer spent only 16.5 percent of his take-home pay for food. That represents a substantial drop from 20 percent in 1960. The average customer in Western Europe spends 25–30 percent of his income for food; in the U.S.S.R. the figure is 45–50 percent; and in Asia the purchase of food takes 75–80 percent of per capita income. For 1 hour's factory labor Americans can now buy nearly two times as much steak, twice as much bacon, and almost twice the amount of milk as they could in 1948.

For his expenditures in 1969, the American consumer received food products of higher quality, higher nutritional value, and of a wider variety of processed and packaged forms than ever before. A higher standard of living, combined with increased efficiency of marketing, packaging, and transportation methods allowed Americans to purchase preferred food items—5.4 percent more livestock products, 42 percent more poultry, and 35 percent more beef than 10 years ago.

Not only is there more food at lower prices, but the food is better. Extensive research and food processing innovations have given the consumer new food products of higher nutritional value. Genetic selection of livestock has produced leaner, more flavorful meats and higher milk production. Combined efforts of producers and the Federal Government insure that meat, poultry, and dairy products will be inspected and graded and sold with a guarantee of purity.

Much of consumer benefit is a result of agricultural research. Work with fiber processing has produced cottons that are wash and wear and wrinkle resistant. Many wools can now be machine washed. These developments not only save the consumer money on cleaning bills, but also save him time. Newly developed farm equipment now picks fruits and vegetables faster, cutting production costs. New machinery frees labor and reduces damage to crops at the harvest stage thereby reducing wastes and yielding higher production levels. Research in irrigation and conservation practices help to preserve America's natural resources and increase effective use of much potential cropland.

Increased production has meant abundances of food products with which we can support food programs to help needy Americans. The school lunch, school milk, direct distribution, and food stamp programs are only some of many projects which are feeding and nourishing millions of American children and adults. Abundant production has enabled us to build essential reserves which can be called upon in case of emergency.

COMMITTEE CONSIDERATION

The committee held hearings on February 18, 19, 20, 23, 24, 25, and 26, and on March 23, 1970, and these hearings have been printed. As soon as H.R. 18546 was passed by the House of Representatives, the committee had its staff prepare an analysis of that bill; and on August 19, 20, and 25 the Secretary of Agriculture with other officials of that Department discussed the implications of that bill with the committee. The committee held further executive sessions on August 26, 27, and 28, and reported the bill with its recommendations on that date.

The purpose of the farm program is to provide consumers with adequate supplies on a continuous basis at fair prices. We cannot afford to have too little food or fiber, with attendant scarcities and high prices. Nor can we afford to build up large surplus supplies, which are expensive to carry and result in prices too low to support a healthy agricultural economy. When the Food and Agriculture Act of 1965 was enacted, we were faced with burdensome surpluses. During the past years we have reduced these surpluses to manageable levels, and in some cases to levels somewhat lower than may be desirable. The principal objective of the program at the present time should be to provide adequate production; but in seeking to achieve this objective we must be aware that the world situation and technology can change, and that the buildup of excessive supplies must be avoided. The committee is well aware of the surpluses during the depression, the shortages during World War II, and the buildup and disposal of surpluses following that war.

The bill as passed by the House provides for a set-aside of cropland by wheat, feed grain, and cotton producers in return for payments. Wheat and feed grain producers would not be required to plant in order to qualify for payments, nor would the production of those commodities necessarily be subject to any control as in the past. Loan levels could be reduced without commensurate increases in payments. The emphasis is on taking land out of production, rather than on production, leaving each farmer free to decide what he will plant without any minimum statutory price guarantee. There is no assurance that adequate supplies would be produced or that surplus supplies would not be produced.

The committee felt that some specific guarantees and some controls were essential to assure adequate but not excessive supplies, and to maintain a healthy farm economy. The difference in approach between the House bill and the committee amendment are further set out in the following exchange of correspondence:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 31, 1970.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR MR. CHAIRMAN: The agriculture bill as reported by the Senate committee is not satisfactory to the administration. The administration's position on farm legislation was related to the Senate Agriculture Committee in testimony before your committee on August 25, 1970.

This testimony emphasized the need to move away from the present language which results in rigidity in pricing and acreage and to offer additional flexibility to producers in directing their individual farming operations. We feel it necessary to deemphasize rigid base acreages and allotments.

If producers are to be given a wider choice of crops within their acreages, it remains imperative to avoid loan levels that may entice the farmers to produce for Commodity Credit Corporation instead of the market. It is vitally important that Commodity Credit Corporation surpluses not accumulate. This additional flexibility is also needed to allow the U.S. farmer to compete effectively in world markets. In general, the flexibility in determining loan levels is needed to encourage exports and bring the desirable mix of crops as directed by the forces of the market. It is in the best interest of producers that loans be a method of obtaining credit and for the promotion of orderly marketing and that they not be used as a means of holding prices permanently and substantially above where the market determines they should be.

The requirement that producer payments for feed grains and wheat be made within 60 days after signup, instead of after compliance is assured, has the effect of raising costs in the 1971 fiscal year by approximately $1,730 million. These advance payments would constitute essentially a doubling of payments in fiscal year 1971 with no offsetting reduction in fiscal year 1972. This is contrary to our fiscal objectives and therefore, we must oppose the agriculture bill as reported by the Senate committee. In addition, we have the following reasons for opposing the bill:

1. WHEAT

(*a*) The provision in the wheat section which would retain the 1965 act would restrict the freedom and flexibility of farmers to adjust their production patterns. The tying of payments to loan and parity levels bring about built-in prejudices favoring high and escalating loan levels.

(*b*) The provision requiring a minimum loan is inconsistent with the wheat producers best interest to remain competitive in the domestic feed and international export markets (with minimum export subsidies).

(*c*) The provision requiring advance payments of 60 days following the signup period requires a doubling of payments in 1 fiscal year and results in an unacceptable budgetary impact. The advance payment requirement for wheat would increase fiscal year 1971 costs by approximately $634 million. These payments would have to be made before compliance could be checked.

(*d*) There is presently sufficient legislative authority to attain corrective action on the importation of second clears and other wheat products. In addition, all of the items covered by the proposal are bound under provisions of GATT. The proposed legislative change would be in violation of the U.S. commitment.

2. FEED GRAINS

(*a*) The provision for the minimum loan is inconsistent with the administration's position of maintaining maximum flexibility and may unduly encourage increased production in competing exporting

countries. It may also contribute to an unsatisfactory balance between corn and soybeans.

(*b*) The advance payment requirement for feed grains would increase fiscal year 1971 cost by approximately $1,097.

3. COTTON

Under the cotton section, there are several serious problems. Some of these are:

(*a*) Government's costs would be increased to unacceptable levels (about $150 million per year above the House bill). (See attachment.)

(*b*) A national allotment of 14.5 million acres with a minimum paying base percentage of 87.5 percent will produce sufficient cotton to meet all needs. This means that the additional acres provided for in the 25 percent additional provision will not be used. Thus, high-cost producers (and there are many of them in all areas of the Belt) will be induced to increase their cotton production from their share of 11.1 million acres in 1970 to their share of 12.7 million acres in 1971; at the same time efficient producers (and there are a few of them in almost all areas of the Belt) would be required to reduce their nonsubsidized production from their share of approximately 6 million acres in 1970 to their share of 1.8 million acres in 1971 (35 percent of 17.1 in 1970 versus 12.5 percent of 14.5 for 1971). This means that the cotton industry cannot make the adjustments necessary to move toward a more viable economy but would in fact move backwards toward an almost completely Government supported economy. In this respect, the Senate bill compares most unfavorably even with the act of 1965. In contrast, the House bill would allow maximum freedom to produce for the market without subsidy. The Government cannot spend this much money to save an industry and at the same time preclude freedom of action by those who will try to save it without being subsidized.

(*c*) The Senate bill retains marketing quota penalties while seeming to remove the effect of them in one section but bringing them back into play in another section if the Secretary is to prevent the accumulation of surplus cotton. Marketing quota penalties will forestall much-needed adjustment and, of course, will be completely unfair to those growers who are not able to realize the full benefits of the program because of the payment limitation.

(*d*) The Senate bill in many instances reduces the Secretary's authority to deal effectively with changing conditions and to carry out basic program procedures. Specifically, restrictive provisions have been added or retained in connection with the loan rate, lease and sale of allotments, the loan maturity date, and CCC carrying charges. Some of these restrictions preclude actions on the part of the Government and the industry to adjust to the competition of synthetic fibers and foreign cotton production, to let the market determine what crops and qualities are to be grown, and to permit changes to occur in planting, marketing, and use patterns that are inhibited by Government payments and controls.

(*e*) A maximum set-aside percentage of 12.5 percent for cotton is too low. When comparing payment rates per acre for land set aside under the cotton, feed grain, and wheat titles, it becomes clear that the 33⅓ percent set-aside provided in the House bill is highly favorable to cotton

producers. A lower maximum set-aside for cotton would increase Government costs under the feed grain program because an additional 2 million acres would need to be diverted.

(*f*) The 30-percent increase in the cotton payment rate for small, low-income farmers has much appeal on its face. However, the increased benefits could not be more than about $250 per year regardless of income and family size. We think that poverty in agriculture should be dealt with through the President's family assistance plan now pending in the U.S. Senate.

We are authorized to state that the Office of Management and Budget concurs in our opposition to this bill as stated in this letter.

We have attempted to deal in this letter with the major issues and we will be happy to discuss them with you. There are a number of additional items that are also objectionable which we will submit to you if you should desire.

Sincerely,

CLIFFORD M. HARDIN, *Secretary.*

UPLAND COTTON PRODUCER PAYMENTS AND MAJOR EXPENDITURES, 1966–70 AND HOUSE AND SENATE VERSIONS OF AGRICULTURAL ACT OF 1970 FOR 1971

[Million dollars]

						1971	
	1966	1967	1968	1969	1970	House	Senate
Producer payments	774	934	784	824	907	860	[1] 1,040
Value of production	980	938	1,197	1,024	1,131	1,143	1,085
Major net expenditures by the U.S. Government	357	305	1,077	1,012	1,006	1,092	[2] 1,243

[1] Includes an estimated $10 million in small farm payments.
[2] Includes $10 million for research and market development.

U.S. SENATE,
Committee on Agriculture and Forestry,
Washington, D.C., September 1, 1970.

Hon. CLIFFORD M. HARDIN,
Secretary of Agriculture,
U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: This is in response to your letter of August 31, 1970, indicating that the farm bill, as reported by this committee is not satisfactory to the administration because of its "rigidity in pricing and acres."

The bill you recommended would move away from this so-called rigidity by repealing the provisions of existing law designed to protect farm income, provide for orderly marketing, and assure consumers of adequate supplies at fair prices. Thus, it would:

(1) Repeal the existing provision for issuance to wheat producers of a minimum of 500 million bushels of marketing certificates;

(2) Repeal the existing provision which assures wheat producers of an average return at least equal to the average return in 1966 in specified circumstances;

(3) By divorcing the face value of wheat marketing certificates and corn and cotton payments from the loan level, permit the Secretary to reduce the loan levels for those commodities without increasing the certificate face value or payment rates;

(4) Repeal the existing provision for minimum support for feed grains;

(5) Repeal the existing minimum payment base for cotton, leaving no statutory minimum for 1972 or 1973; and

(6) Repeal the total cotton support requirement based on a percent of parity.

In general the bill recommended by you contemplated payments to wheat, feed grain, and cotton producers for setting aside acreage, with authority in the Secretary to fix the compensation so low, or the amount of acreage required to be set aside so high, as to defeat any objective of assuring farmers a fair return.

The committee has tried to provide such assurance by (1) providing for continuing the wheat loan at $1.25 per bushel, the same level as in recent years, (2) providing a $1 per bushel minimum loan for corn (lower than recent years), (3) providing support for cotton at 65 percent of parity, but on a smaller acreage than in recent years, (4) providing a minimum cotton payment base for 1972 and 1973, (5) providing for maximum cottom and wheat set-asides of 12½ and 75 percent, respectively, and (6) giving wheat producers the opportunity to decide whether they prefer the set-aside program recommended by you or the program which has been in effect for the last several years.

The bill as developed by the committee is designed to protect farm prices and income and assure consumers of adequate supplies, while at the same time providing the Secretary of Agriculture with sufficient flexibility to assure workability of programs. Under the Senate bill voluntary programs are continued for feed grains and wheat and the mandatory compliance program is continued for cotton. Under these programs the carryover of feed grains has decreased from a total of 85 million tons in 1961 to an estimated 47 million tons in 1970. The carryover of wheat has been reduced from a total of approximately 1.4 billion bushels in 1961 to about 880 million in 1970 and cotton stocks have declined from about 16.6 million bales in 1965 to about 5.7 million bales in 1970.

In the case of wheat I might point out that stocks have declined in spite of the substantially increased acreage allotment in 1967 to 68.2 million acres when the outlook for a worldwide shortage appeared on the horizon.

Admittedly it has been difficult and costly to achieve this end. Therefore, under no circumstances do we want to be placed in the position of encouraging the production of commodities in excess of our needs. The Senate version of the farm bill achieves this goal while the House version of the bill, with its open ended production objective would undoubtedly result in the accumulation of stocks above our requirements. This in turn will begin the whole cycle of increased Government costs over again.

The bill, as reported by the committee, extends the flexibility of the 1965 act to the 1971 wheat crop. For 1972 and 1973, wheat farmers could decide in a referendum whether a continuation of the present program or a switch to the set-aside program would best serve their commodity. Every flexibility is provided both with respect to acreage and price levels, except that a minimum loan is provided in order to give farmers the price protection they so sorely need in this day of escalating costs. For example, using 1946 as a base of 100, prices received by farmers in 1970 are estimated at only 119 percent of the

base. On the other hand, wholesale food prices have increased to an estimated 165 percent; retail food prices to an estimated 196 percent; housing to 190 percent; transportation to an estimated 222 percent; the all commodity price index to 181 percent; and all services to 243 percent. This is only indicative of the cost problems that are now facing American farmers.

In formulating a cotton program, I believe that the major considerations should be: (1) an acreage of cotton must be grown each year to provide a supply adequate for expanded domestic use and expanded exports; (2) the market price must be at a level which will be competitive in world trade and with manmade fibers; and (3) farm income for cotton producers, through the market price and payments, must be at a level which will provide an incentive for them to produce the acreage needed.

When the Food and Agriculture Act of 1965 was enacted, the situation was entirely different from that which exists today. At that time we were burdened with a tremendous surplus of cotton and needed a diversion program to adjust the supply. At the present time the carryover of cotton at the beginning of the marketing year, plus the estimated production for 1970, will be less than the amount needed for domestic use and exports and a reasonable carryover.

In 1969 cotton farmers planted 72.8 percent of their allotments, and in 1970 they planted 70.6 percent of their allotments. It can be concluded from these percentages that there was insufficient incentive for farmers to produce more than their domestic allotment (on which the payments were based); therefore, there is no reason to believe that with a lower market price proposed for 1971 and lower payments, farmers generally would increase their plantings of cotton, particularly in view of increased costs necessary in the production of cotton. Thus, your bill would not assure production of an adequate supply. On the other hand, since it removes marketing quotas your bill would not assure that supplies would be kept in line with demand. While present world prices and technology are such that not many producers can afford to produce at the world price, your letter states your belief that there are some; and as we know from past experience changes in the world situation and production advances can occur rather rapidly. I, for one, do not want to take a chance on getting back into a surplus situation.

The cotton title, as proposed by the committee would provide an incentive to produce an adequate supply without a burdensome surplus by providing a larger acreage upon which payments would be made and by retaining marketing quotas. The producer would have to plant 90 of such larger acreage to qualify for full payments and to maintain full history.

The committee realizes that the cost of the cotton program would be slightly in excess of the cost of the House-proposed bill. This increased Government cost is justified by the fact that it is less than the 1965 act would cost; also less than a reversion to the 1958 act; and would help insure an adequate supply of cotton without the risk of surplus. Furthermore, it will provide cotton farmers with added income which would be materially reduced below the 1970 level if the House bill were enacted into law. The committee bill, by giving the Secretary authority to apportion additional acreage, provides

adequate flexibility for those farmers desiring to produce additional cotton.

The committee bill also continues a long established principal of some special assistance to small cotton farmers. The committee believes that these small farmers, many of whom are part-time farmers, will remain living on the farm as long as this special assistance through the farm program is given. If the special assistance is withdrawn, we feel that most of these people would leave the farm for the cities which are already overcrowded and eventually end up on welfare.

The 1965 act provided additional flexibility for cotton farmers who desired to produce soybeans as well as cotton. A 33⅓ percent set-aside, as proposed in the House bill, would, according to the best estimates, reduce the acreage of soybeans throughout the cotton area by 1½ million acres. This would not only hurt farm income but would come at a time when additional production of soybeans is needed to fill our expanding market needs.

The establishment of a loan level floor in the case of wheat and feed grains is designed especially to protect prices received by farmers for these commodities. The loan level for corn at $1 per bushel is the same as the level specified in the table presented to the committee last week. In the case of wheat, a loan level of $1.25 is the same as that in effect since 1965 and under which we have exported an average of over 700 million bushes of wheat per year. Therefore, it is difficult, if not impossible, for me to understand how these levels will in any way interfere with the market price. Under the conditions specified in this letter as they relate to feed gains, wheat, and cotton all will be highly competitive both in domestic and export markets.

The committee bill is designed to maintain production, and consequently to maintain farm employment, prices and income, and provide consumers with abundant supplies of food and fiber at fair and reasonable prices. Under the bill recommended by you payments are made not for producing but for setting acreage aside so that some farmers, tenants, and hired hands, may be phased out of production, while others are encouraged to produce without limitation. This in effect over the long pull will tend to destroy the family farm system and result in large corporate-type farming.

With kindest personal regards, I am,

Sincerely yours,

ALLEN J. ELLENDER, *Chairman.*

TITLE-BY-TITLE ANALYSIS

TITLE I—PAYMENTS

Section 101 limits payments per person per crop under the wheat, feed grain, and cotton program for the 1971 through 1973 crops to $55,000. The limitation covers marketing certificates and public access and other payments, but does not apply to loans or purchases. Set-aside requirements for producers affected by the limitation would be reduced to the extent and manner deemed fair and reasonable. (There is no corresponding limitation in existing law.) The limitation does not apply to States or their subdivisions or agencies with respect to lands farmed by them primarily in the direct furtherance of a public function. The limitation would, however, apply to persons who farm on lands rented from a State or its subdivisions or agencies.

STATISTICAL INFORMATION

The following table shows the effect which payment limitations will have on the program:

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

PAYEES AND PAYMENTS AFFECTED BY $55,000 PAYMENT LIMITATIONS FROM 1969 CALENDAR YEAR PAYMENTS

[Dollars in millions]

State	Cotton		Feed grain		Wheat		Total	
	Payees	Payments reduced	Payees	Payments reduced	Payees	Payments reduced	Payees [1]	Payments reduced
Alabama	16	$0.3					16	$0.3
Arizona	165	9.9	4	$0.2			169	10.1
Arkansas	65	2.3					65	2.3
California	247	24.8	24	3.0	5	$0.2	276	28.0
Colorado			2	(2)	4	.3	6	.3
Georgia	10	.2	1	(2)			11	.2
Idaho					6	.1	6	.1
Illinois			5	.2			5	.2
Indiana			5	.1			5	.1
Iowa			4	.3			4	.3
Kansas			1	(2)	1	(2)	2	(2)
Louisiana	20	.5					20	.5
Mississippi	250	7.8					250	7.8
Missouri	1	(2)	6	(2)			7	(2)
Montana					3	.7	3	.7
Nebraska			4	(2)	1	(2)	5	(2)
Nevada	1	(2)					1	(2)
New Mexico	7	.1	5	(2)	5	.2	17	.3
North Carolina	3	.4	3	.2			6	.6
Ohio			1	(2)			1	(2)
Oklahoma	1	(2)			2	.1	3	.1
Oregon			1	(2)	3	(2)	4	(2)
Pennsylvania			1	(2)			1	(2)
South Carolina	13	.4					13	.4
South Dakota					2	(2)	2	(2)
Tennessee	5	.1					5	.1
Texas	145	4.8	31	.6	10	.2	186	5.6
Utah					1	(2)	1	(2)
Washington					10	.3	10	.3
Total	949	51.6	98	4.6	53	2.1	1,100	58.3

[1] Includes some duplication in States where payees are involved in more than 1 program.
[2] Less than $50,000.

TITLE II—DAIRY

In general

This title—

(1) makes authority for Class I base dairy plans under marketing orders permanent, with amendments providing for—

(A) use of a moving base period (to allow old producers to share in market expansion);

(B) reduction of bases for failure to deliver base milk (to assure sufficient production of Class I milk); and

(C) allocation of bases (without regard to market expansion or base forfeiture) to alleviate hardship and to provide for new producers, producers who become order producers by reason of their plant becoming a pool plant, old producers who discontinued operations or transferred bases, and producers who delivered milk outside the order area during the base period;

(2) provides express authority for so-called Louisville plans under which handler payments accumulate during one period for disbursement in another to encourage seasonal production adjustments;

(3) provides separately for seasonal base plans;

(4) subjects seasonal plans to bloc voting as was the case prior to the 1965 amendment;

(5) repeals the requirement for butterfat price support;

(6) extends the Armed Forces milk program through December 31, 1973; and

(7) extends the dairy indemnity program through June 30, 1973.

Background

FEDERAL MILK ORDERS

At the present time, there are 62 Federal milk orders in effect. They regulate almost 80 percent of the milk eligible for fluid use in the country. These orders are proposed by dairy farmers in an area, developed by the Secretary of Agriculture on the basis of a public hearing, are made effective only after approval by producers supplying the proposed marketing area and may be voted out by producers at any time.

Federal milk orders regulate transactions between milk dealers and dairy farmers in specified marketing area. Under these orders, milk dealers are required to pay minimum prices for milk in accordance with the use made of milk. Retail milk prices are not regulated by Federal orders.

Prices for milk for fluid purposes (Class I) are established at levels necessary to assure an adequate supply of milk. Prices for milk going into manufactured dairy products (Class II) are established at levels which approximate the price paid farmers for milk at unregulated manufacturing plants. Prices established for Class I milk are higher than those established for Class II milk. The dairy farmer receives a blend price which reflects the relative utilization of milk in the market going into fluid products and manufactured products.

Existing class I base plan legislation

Authority for Class I base plans was first included in the Food and Agriculture Act of 1965, and during the 90th Congress was extended without change for 1 year through December 31, 1970, by Public Law 90–559. In only one order, that for the Puget Sound, Wash., marketing area, has a Class I base plan been adopted. Present law provides that each producer supplying a market during a fixed representative period may be given a proportion of the market's higher valued Class I sales on the basis of his deliveries during the representative period. Deliveries in excess of a producer's base are priced at the surplus (Class II) price. Bases may be sold and transferred. New producers and hardship cases are entitled to share first in additional Class I sales or bases forfeited. Other than the provision for sharing first in additional Class I sales new producers are provided no means of entry to a market under the existing Class I base plan authority except to purchase a base from a base-holding producer.

The existing class I base plan authority has introduced unnecessary rigidities in the marketing of milk and is not well adapted to today's marketing conditions. The proposed amendments to the present class I base plan authority, in addition to providing permanent authority for class I base plans, would provide additional flexibility in the determination of base periods, freer entry of new producers, and that bases while transferable would not take on substantial monetary value.

SECTION-BY-SECTION ANALYSIS OF TITLE II

Section 201 amends certain sections of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, relating to marketing orders concerning milk and its products.

Section 201(a) deletes existing clause (d) of subparagraph (B) of subsection 8c(5) of the current act, which clause (d) authorizes base-excess and class I base plans, and substitutes therefor three new clauses (d), (e), and (f).

BASE-EXCESS PLANS

The new clause (d) retains and separately states existing authority for seasonal base-excess plans (also known as base-surplus plans) in milk marketing orders. Such provisions were contained in the act as effective prior to 1965 except that the new clause (d) makes it clear that the base period under such a plan need not be limited to 1 year and that clause (d) is restricted to seasonal base-excess plans. Also, as was the case prior to the 1965 amendment, bloc voting by cooperative for purposes of producer approval, would be permitted with respect to these seasonal base-excess provisions. These plans are designed to encourage desirable seasonal adjustments in the production of milk.

OTHER SEASONAL PLANS

Clause (e) clarifies and reaffirms authority for the so-called Louisville plans. These plans are now included in 13 Federal marketing orders,[1] representing about 40 percent of the milk regulated by Federal orders. Under these plans, leveling of seasonal spring and fall production is encouraged by withholdings from sums paid by handlers at the uniform class prices for all producer milk in the spring and the subsequent distribution of such withholdings in the fall through the medium of the uniform price to all producers.

CLASS I BASE PLANS

Authorization is provided under clause (f) for class I base plans in the Federal milk marketing orders under which the producers, as defined in the order, who are such producers when the plan is made effective, who supplied milk to a marketing area during a prior representative period, will be assigned "bases" based on their respective marketings during such period.

The class I base plan enables producers to adjust their deliveries to their share of higher valued fluid milk sales in the market. For deliveries within his base allocation, a producer would receive a price about the same as the class I price, and for marketings in excess of his allocation, he would receive a price approximating the surplus price.

Provision is made for a representative class I base period of 1 to 3 years which will be automatically updated each year. This will allow for changes in production units and will permit readjustment of bases over a period of time.

[1] Reduced from 17 markets due to a recent consolidation of five orcers.

Under present authority a fixed "representative" period of all or parts of selected years may be used in determining the producers' marketing history period. This results in a static base based on the relationship that existed between producers' deliveries and market utilization during the selected period. That requirement did not accommodate adjustment of bases to rapidly changing supply and demand conditions in fluid milk markets, subject only to change by amendment of the order. This bill will automatically keep the total of bases more closely related to changing levels of market utilization.

Under present class I base plan legislation the participation of new producers in the market's class I sales is restricted to increases in class I sales, reflecting market growth and to forfeitures of existing bases, except when such new producers purchase existing bases. Old producers do not share generally in additional bases made available by increased class I sales or base forfeitures.

Under the new clause (f) provision could be made in an order for allocation of class I bases as follows:

(1) Producers under the order on the effective date of the class I base plan would receive bases on the basis of deliveries of milk under the order during a representative period of 1 to 3 years which will be automatically updated each year;

(2) Dairy farmers becoming producers under the order by reason of the plant to which they are making deliveries becoming a pool plant under the order would receive bases on the same basis as established producers under (1);

(3) Producers with a history of deliveries to other markets during the base period from the same production facilities are entitled to use this history in establishing bases. Essentially, such new producers (except as in (2) above) entering a market shall be given bases on the same basis as existing producers, except that they will receive the lowest class price for 90 days. This provision is intended to permit competitive access to class I dairy markets by all established dairy farmers after a reasonable time.

(4) Producers who did not produce milk during any part of the representative period and who were not covered by the order on the effective date of the plan would, within 90 days after becoming producers under the order, be allocated bases which the Secretary determines proper, taking into consideration supply and demand conditions, orderly marketing, and the respective interests of producers and the consuming public. Such bases for a period not to exceed 3 years shall be reduced by not more than 20 percent;

(5) New producers who were former producers could obtain bases in proper circumstances. Authorization is provided for the order to include such additional provisions as the Secretary determines appropriate in regard to the reentry of producers who previously have discontinued their dairy farm enterprise or have transferred bases as authorized by the order;

(6) Orders would contain appropriate provisions for the alleviation of hardship and inequity among producers. For example, this could provide relief for producers who were under the order on the effective date of class I base plan provisions but who had not produced milk during the representative period. Adjustments of base also could be provided for producers otherwise eligible for a base but whose base history was unrepresentive because of such circumstances as acts of

God, reduced base period marketings due to disease, pesticides, residues, condemnation of milk, or marketings during part, but not all, of the base period.

It is provided that if a producer reduces his marketings, such reduction shall not adversely affect his history for the determination of future bases, or future updating of bases, except that an order may provide that any reduction below his base allocation may be taken into account in determining his future bases or future updating of bases.

Authorization is provided for transfers of class I bases on such terms and conditions, including those which will prevent bases from taking on an unreasonable value, as may be prescribed in the order by the Secretary.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains a class I base plan.

Clasue (f) also authorizes provisions in an order for reducing the allocation of or payment to be received by any producer who delivers a portion of his milk to any persons not fully regulated by the order. This is to compensate for any such marketings of milk so as to insure equitable participation among all producers and discourage producers from dumping their surplus milk on other markets.

Adoption of the class I plan is still optional with each market order area and can be put into effect only if separately approved by two-thirds of the producers voting individually in a referendum on the matter. Individual producers will continue to have one vote each. The class I base plan order provisions may be terminated separately under section 8c(16)(B) if a majority of producers favor such termination. Disapproval by producers or termination of such order provisions will not be considered disapproval of the entire order or of other terms of the order.

PRODUCER-HANDLERS

The last paragraph of section 201(a) of this bill provides that the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders authorized under section 8c(5) as under the existing act.

Traditionally, it has been the Department of Agriculture's policy to grant producer-handlers exemption from all provisions of Federal milk orders except for reporting requirements, as warranted by the conditions in each market. Following the legislative history with respect to class I base plans, issuance of an order providing for such a plan has not been considered a reason for not exempting producer-handlers.

Experience under Federal orders generally has demonstrated that effective regulation of the market has been insured without direct involvement of individuals who produce, process and distribute essentially milk of their own production and who buy no milk from other dairy farmers or other sources. Individuals who assume a dual role of producer and handler and who must carry their own balancing supplies have had in the past no demonstrable advantage either as a producer or a handler.

Where producer-handlers do not confine the overwhelming bulk of their sales to their own production of milk, where producer-handlers circumvent provisions limiting distribution through their own facilities or where producer-handlers who, singly or in the aggregate, have a

volume of sales which represents so large a portion of the sales in a Federal order market as to disrupt the operation of the order to the detriment of other dairymen in the market, the Department of Agriculture advises that it has found it necessary to provide further conditions as a basis of exemption to maintain equity among all handlers and producers. This provision requires the Secretary to maintain the same policy as he has maintained in the past.

Existing Class I Base Plans Continued

Section 201(b) of this bill provides that existing class I base plans issued pursuant to the authority continued in the Food and Agriculture Act of 1965 (79 Stat. 1187) are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

8c(5)(G)

Section 201(c) of this bill provides that it is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed. Section 8c(5)(G) precludes any provision prohibiting, or in any manner limiting, in the case of the products of milk, the marketing in the order area of any milk or product thereof produced anywhere in the United States.

TERMINATION DATE

Section 201 would have no termination date and will become permanent legislation.

Section 202. Price support: This section repeals the requirement that butterfat (and the products of milk and butterfat) be supported at 75 to 90 percent of parity, leaving in effect the requirement that whole milk be supported at that level. Authority to use loans to effect such support would be repealed, leaving in effect the authority to effect such support through purchases of milk and its products. The effect of this section would be to permit the Secretary to purchase butter at lower prices than at present.

Section 203. Extension of armed services milk programs: This section extends to December 31, 1973, the authority under section 202 of the Agricultural Act of 1949 for the donation by Commodity Credit Corporation of dairy products to the Administrator of Veterans' Affairs and to the military for utilization after they have made their usual purchases of dairy products in the normal channels of trade.

Section 204. Dairy indemnity program: This section extends to June 30, 1973, the authority of the Secretary to make indemnity payments to dairy farmers who have been directed to remove their milk from commercial markets because it contained residues of chemicals the use of which had been approved by the Federal Government. This authority (Public Law 90–484) expired June 30, 1970. This section also extends the application of the law to authorize indemnity payments to be made to manufacturers of dairy products who have been directed since January 1, 1964, to remove their dairy products from commercial markets because they contained residues of such chemicals.

Outlays in past years for this program have been as follows:

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—MILK INDEMNITY PAYMENT PROGRAM, OUTLAYS BY BUDGET AUTHORITY (APPROPRIATION) JAN. 1, 1964 TO JUNE 30, 1969 AND OUTLAYS FISCAL YEAR 1970 THROUGH MAR. 30, 1970

	Fiscal year 1965, actual	Fiscal year 1966, actual	Fiscal year 1967, actual	Fiscal year 1968, actual	Fiscal year 1969, actual	Fiscal year 1970, actual [1]	Grand total, actual
Alabama				$2,163.10			$2,163.10
Arizona		$1,265.56		9,616.34	$31,119.14		42,001.04
Arkansas				2,468.70			2,468.70
California	$14,356.64	3,838.34	$8,132.68	4,045.33	2,154.90		32,527.89
Colorado				2,122.37			2,122.37
Florida				4,402.99			4,402.99
Georgia	1,258.89	9,359.99					10,618.88
Idaho	3,630.52			2,247.17			5,877.69
Illinois	226.91	223.52	281.76			$4,411.89	5,144.08
Iowa	1,368.05	20,794.58					22,162.63
Kansas	8,350.00	77,614.58					85,964.58
Kentucky					21,421.00		21,421.00
Louisiana	7,469.47				13,979.00		21,448.47
Maryland	164,747.00	13,868.06					178,615.06
Michigan	215.22						215.22
Minnesota	619.46						619.46
Mississippi		3,583.17	1,428.55				5,011.72
Missouri	736.49	914.45					1,650.94
Montana				47,634.38	4,755.46		52,389.84
Nebraska		4,505.37	2,373.10				6,878.47
New York			7,822.14				7,822.14
North Carolina	4,077.93						4,077.93
Ohio					11,030.11	5,227.93	16,258.04
Oklahoma						9,752.36	9,752.36
Pennsylvania	55,746.45						55,746.45
South Dakota	1,019.21						1,019.21
Tennessee	4,564.48						4,564.48
Texas			244,473.28	97,723.56			342,196.84
Utah	29,896.80						29,896.80
Virginia	23,299.85						23,299.85
West Virginia	13,740.07	3,576.33				5,517.26	22,833.66
Wisconsin	14,609.25	11,066.90	15,021.37	22,302.59	17,231.12	487.82	80,719.05
Total	349,932.69	150,610.85	279,532.88	194,726.53	101,690.73	[1] 25,397.26	1,101,890.94

[1] Does not include claims received in the amount of $83,086 not yet approved for payment.

Source: ASCS/BU/PAP, apr. 15, 1970.

TITLE III—WOOL

Section 301. This section—

(1) Extends the wool program 3 years, through December 31, 1973.

(2) Makes the support price for shorn wool 72 cents per pound, grease basis. (Under existing law the support price is 62 cents per pound multiplied by the ratio of (i) the average parity index for the 3 years preceding that in which the support price is determined to (ii) the average parity index for 1958, 1959, and 1960. Under this formula the support level has increased from 62 cents for 1965 to 72 cents for 1970.)

(3) Makes the support price for mohair 80.2 cents per pound, grease basis. (Under existing law the mohair support price is approximately the same percentage of parity as for shorn wool.)

The present act expires on December 31, 1970. Unless extended there will be no payments on wool and mohair marked after that date. This would leave only a discretionary loan program as a means of supporting wool prices. This did not prove a satisfactory method in the past as U.S. production piled up in Government inventories while U.S. consumption was filled increasingly by foreign wool and synthetic fibers.

The United States uses more wool than it produces. Since the United States is on an import basis, world market prices largely determine the price level for domestic wool. U.S. producers cannot compete with the lower cost producing areas. The payment method has proved to be a practical means of providing necessary income assistance to producers, while permitting domestic wool to compete with foreign wool and synthetic fibers in the domestic market.

Since 1965, the incentive price has been set by a formula in the act. This formula has resulted in a 10 cents per pound increase in the incentive price for shorn wool at the same time market prices for wool were declining. This has resulted in increased expenditures which have exceeded $50 million during each of the last 3 years. Establishing the incentive at 72 cents per pound for wool and 80.2 cents per pound for mohair during the next 3 years is designed to keep program costs at about present levels while at the same time giving producers the price assurance they need for continuing in business and for planning their future operations.

The following tables include data on the excess of duty collections over payments under the program, incentive prices, market prices, payment rates, and total payments for wool and mohair since the payment method of support was begun under the 1954 act.

WOOL, PRODUCTION, PRICES, VALUE OF SALES, AND PAYMENTS UNDER THE NATIONAL WOOL ACT OF 1954, AS AMENDED, 1955–70

Year	Shorn wool production (million pounds)	Support price [1] (per pound)	Average market price received by producers (per pound)	Shorn wool payment rate [2] (per unit of market return)	Value of shorn wool sales (million dollars)	Government payments [3] (million dollars)
1955	241.3	62	42.8	44.9	$103.0	$57.6
1956	242.2	62	44.3	40.0	107.2	51.9
1957	239.1	62	53.7	15.5	127.8	16.1
1958	243.7	62	36.4	70.3	88.6	85.1
1959	259.9	62	43.3	43.2	112.3	53.9
1960	265.3	62	42.0	47.6	111.1	59.5
1961	259.2	62	42.9	44.5	111.4	56.9
1962	246.6	62	47.7	30.0	117.6	39.2
1963	232.4	62	48.5	27.8	112.4	27.2
1964	212.3	62	53.2	16.5	112.9	20.3
1965	201.5	62	47.1	31.6	95.0	34.2
1966	195.1	65	52.1	24.8	101.2	26.3
1967	188.2	66	39.8	65.8	74.9	56.8
1968	177.6	67	40.5	65.4	72.0	54.1
1969 [4]	165.8	69	41.8	65.1	69.6	52.0
1970						

[1] Support price and payments are for years beginning April 1 for the 1955–62 period, the 9 months beginning Apr. 1, 1963, and calendar years beginning 1964. Prior to 1955, wool prices were supported through loans or purchases, generally for the marketing year beginning April 1.

[2] Payment rate for shorn wool is expressed as a percentage and is applied to each producer's dollar returns from the sale of wool. For example, under the 1968 program, producers received $65.40 for each $100 received in marketing wool.

[3] Includes unshorn lamb payments which are made at a rate comparable to the one for shorn wool.

[4] Preliminary.

TITLE IV—WHEAT

In general

Subtitle A of this title would continue for 1 year (1971) a wheat marketing certificate program similar to the 1970 program within the legislative authority of the Food and Agriculture Act of 1965, as amended. Subtitle B of this title provides for a domestic wheat certificate program within the framework of a set-aside type program. Subtitle A requires the Secretary to conduct a referendum to determine, for the 1972 and 1973 crops, whether producers favor the program provided by subtitle A or the program provided by subtitle B.

SUBTITLE A

Under subtitle A—

1. Marketing quotas would be suspended while the program is in effect.

2. Domestic marketing certificates would be issued to participating producers for an amount of wheat estimated to be used for domestic food use.

3. The face value of domestic marketing certificates issued to participating producers would be the difference between the price support loan rate and the parity price for wheat at the beginning of the marketing year (July 1).

4. An advance payment in an amount equal to not less than 50 percent of the estimated domestic certificate rate and 50 percent of the estimated diversion payment for the farm, if voluntary diversion for payment is authorized, would be made within 60 days following signup for the program.

5. The cost of marketing certificates to processors for wheat for domestic food use would be 75 cents per bushel.

6. Price support loans would be made available to participating producers at a rate not in excess of the parity price nor less than $1.25 per bushel.

7. State, county, and farm allotments would be established the same as under prior production adjustment programs. The amount of the national acreage allotment shall be the number of acres which the Secretary determines, on the basis of the projected national yield and expected underplantings, will produce an amount of wheat equal to the national marketing quota for wheat which would have been determined if marketing quotas had not been suspended. The national acreage allotment would be allocated to States, counties, and farms on the basis of the allotment established in the preceding year.

8. Projected yields established for each farm shall be determined on the basis of the yield per harvested acre on the farm during each of the 3 calendar years immediately preceding the year in which the projected yield is determined, adjusted for abnormal weather conditions, for trends in yields and significant changes in production practices.

9. As a condition of eligibility for wheat certificates with respect to any farm, producers would be required to divert from the production of wheat to an approved conservation use an acreage of cropland on the farm equal to a percentage of the farm allotment plus the acreage of cropland devoted in preceding years to soil-conserving uses. There would be no payments for the minimum required diversion. The percentage of the allotment required to be diverted is the diversion factor prescribed by section 339(a) of the Agricultural Adjustment Act of 1938

$$\left(\frac{\text{55 million—the national acreage allotment—4.3 million}}{\text{the national acreage allotment—4.3 million}}\right)$$

10. If authorized by the Secretary, payments may be made for diverting acreage from crop production in addition to the qualifying diversion.

11. The minimum price of CCC-owned wheat for resale is 115 percent of the price support loan rate plus reasonable carrying charges, provided the Secretary determines that total carryover will be less than 35 percent of utilization. If total carryover falls below 25 percent of utilization, the percent of the loan rate increases to 120 percent.

12. This subtitle extends the authority for variable export marketing certificates.

SUBTITLE B

Under subtitle B—

1. Marketing quotas would be suspended while the new program is in effect.

2. Domestic marketing certificates would be issued to participating farmers in an amount approximating estimated domestic food use.

3. The face value of domestic wheat certificates issued to participating farmers would be the difference between the parity price for wheat and the average market price received by farmers during the first 5 months of the marketing year.

4. An advance payment at a rate equal to 75 percent of the estimated domestic wheat certificate rate and 50 percent of the estimated

diversion payment for the farm, if voluntary diversion is authorized, shall be made to producers within 60 days following signup for the program.

5. The cost of certificates to processors of wheat for domestic food use would be 75 cents per bushel.

6. Loans on each crop of wheat shall be made available to producers at a level not in excess of the parity price nor less than $1.25 per bushel.

7. Domestic, State, county, and farm allotments would be established in lieu of the allotments established under prior production adjustment programs. The amount of the national domestic allotment would be the number of acres, based on the expected national yield, it is estimated would produce an amount of wheat on participating farms equal to estimated domestic food use. The domestic allotment would be allocated to States, counties, and farms on the basis of the allotments established in the preceding year.

8. Failure to plant at least 90 percent of the allotment would result in loss of domestic allotment not to exceed 20 percent in the following year. If no wheat is planted for 3 consecutive years, the allotment is removed. However, no domestic allotment would be reduced if the producer elects not to receive payment for the portion not planted. If authorized by the Secretary, an acreage devoted to soybeans or feed grains may be considered as planted to wheat for the purpose of allotment retention. Acreage which the Secretary determines was not planted to wheat because of a natural disaster will be considered planted to wheat.

9. If authorized by the Secretary, payments may be made for diverting acreage from crop production in addition to the qualifying set-aside.

10. Producers desiring domestic certificates and loans must set aside and devote to a conservation use an amount of cropland acreage equal to a percent of the domestic allotment plus the acreage of cropland devoted in preceding years to soil-conserving uses. The balance of the cropland acreage on the farm may be devoted to wheat, to other crops or any combination of wheat and other crops.

11. The minimum price of CCC-owned wheat for resale is 110 percent of the national average loan rate plus reasonable carrying charges.

12. Under this subtitle the authority for export marketing certificates is discretionary.

STATISTICS

The following tables summarize wheat supply, distribution, and production factors, 1956 to date, supply and distribution by classes and program participation percentages, 1962–69.

WHEAT: SUPPLY AND DISTRIBUTION AND PRODUCTION FACTORS, 1956 TO DATE, CROP YEARS

Year beginning July 1	Supply (million bushels)				Utilization (million bushels)						Production factors		
					Domestic								
	Beginning stocks	Production	Imports [1]	Total	Food	Seed and feed	Total	Exports [2]	Total	Ending stocks	Planted acres (millions)	Harvested acres (millions)	Yield per harvested acres (bushels)
1956	1,034	1,005	8	2,047	482	106	588	550	1,138	909	60.7	49.8	20.2
1957	909	956	11	1,876	486	105	591	403	994	882	49.8	43.7	21.8
1958	882	1,457	8	2,347	497	112	609	443	1,052	1,295	56.0	53.0	27.5
1959	1,295	1,118	7	2,420	497	100	597	510	1,107	1,313	56.7	51.7	21.6
1960	1,313	1,355	8	2,676	497	107	604	661	1,265	1,411	54.9	51.9	26.1
1961	1,411	1,232	6	2,649	510	107	608	719	1,327	1,322	55.7	51.6	23.9
1962	1,322	1,092	5	2,419	500	80	580	644	1,224	1,195	49.3	43.7	25.0
1963	1,195	1,147	4	2,346	503	86	589	856	1,445	901	53.4	45.5	25.2
1964	901	1,284	1	2,186	509	135	644	725	1,369	817	55.7	49.8	25.8
1965	817	1,316	1	2,134	515	217	732	867	1,599	535	57.4	49.6	26.5
1966	535	1,312	2	1,849	502	178	680	744	1,424	425	54.4	49.9	26.3
1967	425	1,522	1	1,948	519	129	648	761	1,409	539	67.8	58.8	25.9
1968 [3]	539	1,577	1	2,117	520	234	754	544	1,298	819	62.5	55.3	28.5
1969 [3]	819	1,459	1	2,279	525	255	780	600	1,380	899	54.3	47.6	30.7
1970 (est.)	880	1,349									49.0	43.6	30.8

[1] Imports include full duty wheat, wheat imported for feed and dutiable flour and other wheat products in terms of wheat equivalent.

[2] Exports include flour wholly from U.S. wheat and other wheat products in terms of wheat equivalent.

[3] Preliminary.

WHEAT: ESTIMATED SUPPLY DISTRIBUTION BY CLASSES, UNITED STATES

(In millions of bushels)

Item	Hard Winter	Red Winter	Hard Spring	Durum	White	Total
1966–67:						
Carryover, July 1	267	8	186	54	20	535
Production	678	217	177	63	177	1,312
Imports [1]			2			2
Supply	945	225	365	117	197	1,849
Exports [1]	377	68	120	47	132	744
Domestic disappearance [2]	311	142	136	41	50	680
Carryover, June 30	257	15	109	29	15	425
1967–68:						
Carryover, July 1	257	15	109	29	15	425
Production	706	274	230	66	246	1,522
Imports [1]			1			1
Supply	963	289	340	95	261	1,948
Exports [1]	373	121	73	31	163	761
Domestic disappearance [2]	262	138	138	40	70	648
Carryover, June 30	328	30	129	24	28	539
1968–69:						
Carryover, July 1	328	30	129	24	28	539
Production	811	224	228	100	214	1,577
Imports [1]			1			1
Supply	1,139	254	358	124	242	2,117
Exports [1]	324	171	138	37	84	754
Domestic disappearance [2]	268	50	80	46	100	544
Carryover, June 30	547	33	140	41	58	819
1969–70: [3]						
Carryover, July 1	574	33	140	41	58	819
Production	789	195	187	107	181	1,459
Imports [1]			2			2
Supply	1,336	228	329	148	239	2,280
Exports [1]	338	28	91	34	119	160
Domestic disappearance [2]	337	177	149	37	90	790
Carryover, June 30	661	23	89	77	30	880

[1] Imports and exports are of wheat including flour and other products in terms of wheat.
[2] Wheat used for food (in the United States and U.S. territories by the military both at home and abroad), feed, seed, and industry.
[3] Preliminary.

WHEAT: PERCENTAGE OF TOTAL FARMS PARTICIPATING, PERCENTAGE OF ALLOTMENT PARTICIPATING AND ACREAGE DIVERTED, 1962–69

	Percent of total farms participating	Percent of allotment on participating farms	Total acres diverted (millions)
Program:			
1962	43.1	75.0	10.7
1963	23.7	45.6	7.2
1964	33.8	73.9	5.1
1965	47.8	81.6	7.2
1966	47.5	81.7	8.3
1967	45.5	83.4	0
1968	47.5	84.7	0
1969	56.3	87.6	11.1

SECTION-BY-SECTION ANALYSIS OF TITLE IV

Section 400. The 1971 program and referendum for 1972 and 1973 programs: This section provides for the program described in subtitle A to be effective for the 1971 crop of wheat. The Secretary is re-

quired to conduct a referendum by secret ballot to determine whether for the 1972–73 crops the producers favor the program provided for in subtitle A instead of the program provided for by subtitle B. Any producer with a farm acreage allotment is eligible to vote in the referendum, and the program provided for by subtitle B will become effective if favored by a majority of producers voting in the referendum and producers of more than 50 percent of wheat produced by those voting during the most recent calendar year for which records are available. Otherwise, subtitle A is effective for the 1972–73 crops.

Section 401. Subtitle A: This section is subtitle A and provides for a wheat program similar to the program in effect for the 1970 crop as provided in the Food and Agriculture Act of 1965, as amended. This differs from the act governing the 1970 program in that: (1) it requires that price support loans be not less than $1.25 per bushel; (2) price support loans must be made available on wheat stored on the farm where produced and loans on crops so stored must be renewed to the maximum extent practicable; (3) the Secretary is required to advance to producers within 60 days following signup for the 1971 program not less than 50 percent of his estimate of the face value of marketing certificates to be issued on the 1971 crop and diversion payments to become due with respect to such crops. The price support loan level for 1970 was $1.25 per bushel, and loans were made on farm stored wheat. In these respects the bill would require the Secretary to do what he did voluntarily in 1970.

Sections 402 and 403. Subtitle B. Set-aside program: This subtitle provides for a set-aside program with respect to the 1972–73 crops of wheat if such a program is favored by producers in the referendum.

Section 402. Price support: This section provides for wheat price support loans and purchases at such level not in excess of parity nor less than $1.25 per bushel as is determined appropriate, taking into consideration world prices of wheat, the feed value, and the price support level for feed grains. This is the same as existing law except that the minimum loan level was not fixed by law at $1.25. Compliance with a set-aside program, if one is in effect, is required as a condition of eligibility for marketing certificates and price support loans and purchases. (Under existing law currently in effect compliance with acreage allotments and the land use requirements (diversion) of section 339 of the Agricultural Adjustment Act of 1938, is required as a condition of such eligibility.)

This subtitle repeals the so-called Young amendment contained in section 107 (2) of the Agricultural Act of 1949, assuring producers an average return equal to that for the 1966 crop ($1.84 per bushel) if the diversion factor is 10 percent or more.

It also repeals the existing provision for price support on wheat accompanied by marketing certificates at 100 percent of parity, and provides, instead, for a somewhat different type of support through marketing certificates under section 403.

Loans must be made available on wheat stored on the farms where produced and loans on wheat so stored must be renewed to the maximum extent practicable.

Section 403. Marketing certificates, set-aside, land diversion, domestic allotment: This section provides for—

(1) Issuance of wheat marketing certificates for the 1972 and 1973 crops, such certificates to have a face value equal to the amount

by which the parity price as of the beignning of the marketing year exceeds the national average market price received by farmers during the first 5 months of the marketing year. Under existing law the face value is the difference between the certificate and noncertificate wheat support prices.

The number of certificates made available for a farm would be determined by multiplying its domestic allotment by its projected yield—with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The producer is not required to plant wheat to obtain certificates for the current year, but is generally required to plant wheat to maintain his domestic allotment and, consequently, his right to certificates in future years. Under currently applicable law and subtitle A of the wheat provisions of the bill, the producer is generally required to plant in order to obtain certificates, and the number of certificates made available to the farm equals the farm wheat marketing allocation. This allocation is based on (1) a national wheat marketing allocation of not less than 500 million bushels, (2) a national allocation percentage which is designed—as in the domestic allotment under the bill—to result in marketing certificates in the full amount of the national allocation being issued to producers even though some producers become ineligible through failure to cooperate, and (3) a projected yield without any adjustment additional to that provided for by section 301(b)(13)(K) of the Agricultural Adjustment Act of 1938. That section provides among other things that the projected yield cannot be less than the normal yield. Section 708 of the Food and Agriculture Act of 1965 provides that the projected yield shall not be less than the actual yield proved by the producer for the base period. The bill, by providing for fair and equitable adjustments after the projected yield has been determined, would supersede the provisions of existing law just described.

Subtitle B does not provide for issuance of export marketing certificates to producers. The Secretary is authorized to suspend the requirement of such certificates for exports.

(2) A set-aside of cropland, if the Secretary determines that agricultural production would otherwise be excessive. This would require producers, as a condition of eligibility for marketing certificates and price support loans and purchases, to devote to approved conservation uses an acreage of cropland equal to (i) the percentage—not to exceed 75 percent—of the farm domestic wheat allotment specified by the Secretary, plus, (ii) the acreage of cropland so devoted in preceding years—as determined by the Secretary. Producers may plant and graze sweet sorghum on the set-aside acreage and subject to such terms and conditions as the Secretary may prescribe, the set-aside acres may be grazed or planted for harvest to guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed or other commodity if the production is determined needed to provide an adequate supply and will not increase costs of the price support program or adversely affect farm income. Section 339(e) of the Agricultural Adjustment Act of 1938 now provides that diversion payments shall be reduced by at least 50 percent if the named crops are planted for harvest on diverted acres. The Secretary is not required to permit the planting of such crops on diverted acres.

The Secretary is authorized to limit the acreage planted to wheat to any percentage of the domestic allotment he sees fit for the 1972 and 1973 crops. Such limitations would be considered part of the set-aside program so that compliance would be required as a condition of eligibility for price support and certificates.

Under currently applicable law and subtitle A producers are required to comply with acreage allotments, divert an acreage equal to the amount by which the farm allotment is less than one based on a 59.3 million acre national allotment, and participate in the diversion program under section 339(b) of the Agricultural Adjustment Act of 1938 to the extent prescribed by the Secretary. Payments are not required on the diversion required by reason of the allotment being below 59.3 million acres, but the Secretary may make payments for such diversion. Under the diversion program provided for by section 339 (b) the Secretary may permit a producer to divert up to 50 percent of his allotment, or a total of 25 acres—if greater—for pay.

(3) A diversion program, under which the Secretary may make land diversion payments at fair and reasonable rates to producers diverting acreage additional to that required by the set-aside program. The total acreage diverted in any county or local community is to be limited so as not to adversely affect its economy. Not less than 50 percent of such payments must be made within 60 days following signup for the program. Under currently applicable law and subtitle A payment rates are limited to 50 percent of the county loan rate for the normal production of the acreage diverted.

(4) Additional payments if the producer permits public access to set-aside or diverted acres for hunting, trapping, fishing, and hiking.

(5) General provisions applicable to the set-aside and diversion programs for control of erosion, insects, weeds, and rodents; for use of set-aside and diverted acreage for wildlife food plots and habitat; forfeiture of eligibility for failure to divert as provided by agreements; modification of such agreements if necessary to alleviate a shortage; partial benefits for partial compliance; issuance of regulations by the Secretary; and use of Commodity Credit Corporation in carrying out the program. The Secretary must provide for the sharing of certificates and of payments among the producers on the farm on a fair and equitable basis. Under the law currently applicable sharing of certificates among producers is done on the basis of their respective shares in the wheat crop produced on the farm except in any case in which the Secretary determines that such basis is not fair and equitable, it provides for sharing on a basis he determines to be fair and equitable.

Within 60 days following signup, the Secretary is required to advance to producers an amount equal to 75 percent of the estimated face value of the certificates to be issued for the crop produced in such year. If the face value of certificates as finally determined is less than the advance, the difference is not required to be repaid.

(6) Farm domestic allotments—upon which certificate issuance, set-aside requirements, and diversion are calculated—based on a national domestic allotment proclaimed not later than April 15 of the preceding year, and apportioned to States, counties, and farms, on the basis of their domestic allotments for the preceding crop—their 1971 acreage allotments in the case of apportionment of domestic allotments for the 1972 crop. The national domestic allotment is to be such number

of acres as will result in marketing certificates being issued to participating producers in an amount equal to the amount of wheat estimated to be used for food consumption in the United States. The 500 million bushel minimum applicable to the wheat marketing allocation under existing law and subtitle A is not continued by subtitle B of the bill. The provision requiring the allotment to be such as will result in certificates being issued for the full amount of the wheat used for domestic food consumption does not mean, however, that the allotment would be increased to the extent necessary to provide for issuance to other producers of the certificates which may be denied some producers as a result of the payment limitation in title I of the bill. State and county apportionment bases and farm allotments are to be adjusted to the extent deemed necessary to establish fair and equitable apportionment bases and allotments. In the case of farm allotments, adjustment for established crop rotation practices is mandatory. If a farm plants less than 90 percent of its allotment, the acreage planted or 80 percent of such allotment, whichever is greater, shall be used in lieu of such allotment as its base in computing its allotment for the succeeding crop.

If no acreage is planted for three consecutive crops, the farm loses its allotment. A farm which plants at least 90 percent of its allotment is to be considered as planting its entire allotment. In addition (1) acreage not planted because of a natural disaster or a quarantine imposed by the county, State or Federal Government is to be considered planted, (2) the Secretary may permit acreage planted to feed grains subject to a set-aside program or to soybeans to be considered planted to wheat, and (3) no farm domestic allotment shall be reduced or lost through failure to plant, if the producer elects not to receive certificates for the acreage not planted to which he would otherwise be entitled under the act. (State and county adjustment provisions are similar to those under currently applicable law for acreage allotments. Currently applicable law provides for adjustment of farm acreage allotments only (1) to reflect established crop rotation practices, (2) downward to reflect a reduction in the tillable acreage on the farm, and (3) upward to reflect such other factors as the Secretary determines should be considered in establishing a fair and equitable allotment. Farm allotments at present are based on past acreage and the farm allotment for the preceding year. Under section 377 of the Agricultural Adjustment Act of 1938, past acreage is preserved from year to year, but is reduced if less than 75 percent of the allotment is planted in any of three succeeding years).

Up to 1 percent of each State domestic allotment may be reserved to provide equitable allotments for new wheat farms, but no part of this reserve may be apportioned to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat. (Currently applicable law provides for a reserve of up to 1 percent of the national acreage allotment and an additional reserve of up to 1 million acres of the national acreage allotment, each to be apportioned to counties as provided by section 334(a) of the Agricultural Adjustment Act of 1938; and a reserve of up to 3 percent of each State allotment for apportionment to new wheat farms.)

As under existing law the planting of wheat without an allotment would not make a farm eligible for an allotment as an old wheat farm or ineligible for a new wheat farm allotment.

The Secretary may make such adjustments as necessary to establish a fair and equitable conserving base for each farm.

Section 404. Cost of marketing certificates for processors: This section provides for continuation of current requirements for the purchase of marketing certificates by food processors. If subtitle B is in effect the face value to processors would be 75 cents per bushel. It differs from subtitle A and the currently applicable provision of law on this subject, which provide for sale of certificates to processors at face value less any amount by which the certificate wheat support price exceeds $2 per bushel. Under the latter provisions, if the loan level were fixed at less than $1.25 per bushel, the certificate cost to processors would rise above 75 cents by the amount the loan level was below $1.25. Correspondingly the cost to processors would decrease below 75 cents by the amount the loan level exceeded $1.25.

If subtitle B is in effect the Secretary could suspend during the period July 1, 1972 through June 30, 1974 the existing provision for variable export marketing certificates. Under both subtitles A and B, persons using for human consumption flour second clears, gluten or other products or byproducts of wheat for which domestic certificates have not been acquired must acquire domestic certificates equivalent to the number of bushels of wheat required to produce such product. The effect of this provision is to require the purchase of domestic certificates to cover wheat used in the production of imported clears and the other named products or byproducts of wheat used for human consumption, thereby placing them on the same basis as such products processed from wheat in the United States.

Section 405. Suspension of existing marketing quotas, acreage allotments, and diversion provisions: This section provides for the 1972 through 1973 crops of wheat if subtitle B is effective and for the 1971 through 1973 crops of feed grains as follows:

(1) Suspension of the existing marketing quota, acreage allotment and diversion provisions for wheat.

(2) Extension of the current eminent domain provision to domestic wheat allotments,

(3) Extension of the current farm reconstitution provision to domestic wheat allotments, and

(4) Extension of the current provision for finality of payments to payments (including certificates) under the wheat and feed grain set-aside programs.

Section 406. Transfers of allotments on State lands: If subtitle B is in effect this section extends to the set-aside program the provision of the Food and Agriculture Act of 1965 which deals with transfers of allotments or feed grain bases on State lands.

Section 407. Suspension of Public Law 74, 77th Congress: This section suspends Public Law 74, 77th Congress, (which deals with wheat marketing quotas and acreage allotments) for the 1972 and 1973 crops.

Section 408. Release of wheat stored to preserve eligibility for price support: If subtitle B is in effect, this section authorizes release from storage of wheat stored under section 379c(b) of the Agricultural Adjustment Act of 1938 prior to the 1972 crop. The amount to be released in each of the years 1972 and 1973 is the amount by which the actual production for such year is less than three times the domes-

tic allotment for such year multiplied by the yield established for the purpose of issuing marketing certificates.

Section 409. References to price support to refer to loans and purchases: This section applies to the 1971 through the 1973 crops of feed grains, and if subtitle B is in effect, to the 1972 and 1973 wheat crops. It makes clear that certain provisions of the Agricultural Act of 1949 would apply to the loan and purchase operation for wheat and feed grains. These include section 401(a) which authorizes the Secretary to utilize the Commodity Credit Corporation and other means available, section 402 which sets forth special circumstances under which support may be made available at an increased level from the maximum level otherwise provided in the act, section 403 which authorizes adjustments in the support price of a commodity for differences in grade, location and other factors, section 406 which requires advance announcement of the level of support and section 416 which authorizes disposition of commodities to prevent waste.

Section 410. CCC sales price restrictions: This section amends section 407 of the Agricultural Act of 1949, effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the feed grains and, if subtitle B is in effect, to the 1972 and 1973 wheat crops. It provides that—

(1) Commodity Credit Corporation may not sell wheat, corn, grain, sorghum, barley, oats, or rye for unrestricted use at less than 115 percentum of the current national average loan rate for the commodity (adjusted for current market differentials reflecting various factors) plus reasonable carrying charges. (Existing law provides that such commodities may not be sold for such use at less than 105 percent of the current support price (for noncertificate wheat in the case of wheat) and of the full support price (including payments) in the case of feed grains, plus carrying charges. Section 105(e) of the 1949 act as effective through the 1970 crop provides that payment in kind certificates for feed grains are to be redeemed with feed grains valued at not less than that part of the support price made available through loans and purchases plus reasonable carrying charges. Another provision, which would be suspended by this section, provides that when the carryover at the end of a marketing year for a price supported commodity subject to a voluntary adjustment program will be less than 25 percent (35 percent in the case of wheat) of the estimated export and domestic consumption during such year, the minimum price shall be 115 percent (120 percent in the case of wheat whenever its carryover will be less than 25 percent of such exports and domestic consumption) of the current support price loan plus reasonable carrying charges),

(2) Feed may be made available in certain disaster situations at not less than 75 percent of the current loan rate (instead of not less than 75 percent of the current support rate, including price support payments),

(3) The price paid in rotating stocks shall not exceed the Corporation's minimum sales price for unrestricted use (rather than the current support price), and

(4) Sales of small quantities, overage stocks, etc., to offset by purchases where necessary to prevent such sales from unduly affecting market prices (as well, as is currently provided, where

necessary to prevent them from impairing any price support program).

Section 411. *Wheat Program for 1974:* This section provides that if no new legislation is enacted in advance of the planting season for the 1974 crop of fall seeded wheat and if it will best accomplish the purpose of section 379a of the Agricultural Adjustment Act and is in the interest of producers and the United States, the Secretary may carry out a program for the 1974 crop of wheat on the same basis as the program for the 1973 crop.

TITLE V—FEED GRAINS

Summary

This title continues the successful feed grain programs of the sixties for 3 years (1971 through 1973 crops) with a number of changes.

The following features of the feed grain programs of the sixties are continued:

1. The set-aside program is voluntary, with price support and other benefits limited to participants.

2. Crops included in the diversion program are corn, sorghums, and barley.

3. Price support payments will be made to assure participants of an advantage over nonparticipants and to maintain producer incomes. Such payments will be made on 50 percent of the farm's feed grain base.

4. Participants, to be eligible for price support and payments, will be required to divert or set aside a percentage of their feed grain bases.

5. Payment for diverting additional acreage is authorized.

6. All diversion will be in addition to the acreage on the farm devoted to conserving uses in preceding years.

7. Authority is provided for the growing of crops on set-aside acreages.

8. Substitution of feed grain and wheat acreage is provided by the very nature of the program.

9. Farmers prevented from planting their feed grains because of some natural disaster will suffer no loss of program benefits or base acreage.

10. Numerous other provisions such as sharing of payments by producers on a farm, program financing, and so forth will be the same as for current programs.

The changes from the Food and Agriculture Act of 1965 include:

1. Participants will no longer be required to limit acreage planted to feed grains to the base acreage less diversion. As long as they set aside the agreed-to percentage of the feed grain base and maintain, in addition, the required acreage devoted to conserving use, they will be free to plant all remaining acreage to feed grains if they feel that will provide them with the greatest return over production costs.

2. Participants will no longer be required to plant half their base acreage to feed grains to obtain price support payments but, must plant at least 45 percent of the ball acreage (90 percent of the payment base) in order to maintain history. As long as they comply with program requirements, participants will be eligible for price support

payments and can plant their entire remaining acreage to the crop of their choice.

3. The Secretary of Agriculture is authorized, however, to limit acreage planted to feed grains to assure an orderly transition from present production patterns.

4. The minimum corn loan would be $1 a bushel and the maximum 90 percent of parity. The minimum level will enable U.S. farmers to compete more aggressively for their fair share of the world market. At the same time, the loan will provide needed credit and solid insurance in the event of an unforeseen price decline. The loan rate for other feed grains will be set after giving consideration to the feeding value of these grains in relation to corn and other factors currently considered.

5. While calculated somewhat differently, farmers will receive—in addition to the loan—income-supplementing direct payments on half of their base acreage, just as at present. These will assure participants who obtain the average market price or better of obtaining at least $1.35 a bushel for their corn production or 5 percent of their base acreage—equal to the current support price for corn for such production. The size of the payment will be the difference between the estimated market price received by farmers in the first 5 months of the marketing year and $1.35. In no case will the corn payment be less than 32 cents a bushel. Like the loan rate, grain sorghum and barley payments will be fixed in relation to the corn payment. The combined loan and payment provision will provide participants with a guarantee at least equal to the present support price.

6. A preliminary payment, equal to the 32-cent guaranteed price support payment for corn and comparable rates for sorghum and barley, will be made to participants within 60 days after signup. This payment will not be reduced if the finally determined payment is less than the preliminary payment.

7. An additional payment is authorized to producers who provide the general public with access to the farm acreage devoted to conserving uses, for hunting, fishing, trapping and hiking.

8. Total acreage to be diverted shall be limited to avoid adverse effects on the economy of counties and local communities.

9. The CCC sales price for unrestricted use would be 115 percent of the national average loan rate plus carrying charges.

10. Authority is provided for the adjustment of farm bases, providing recognition for the changes in agriculture that have taken place since 1959–60. Such adjustments will be drawn from a pool made up of acreage released by farmers who no longer plant feed grains.

11. Sweet sorghum may be planted on the set-aside acreage and grazed.

Need for new legislation

Current legislation expires with the 1970 crop. If new legislation is not enacted for the 1971 crop, it will be necessary to return to the program of the fifties. For feed grains there would be no diversion program and no price-support payments. That legislation provides that corn be supported between 50 and 90 percent of parity, but at such level as will result in no increase in CCC stocks. This would mean corn support at the minimum level—about 90 cents a bushel—with no protection against a renewed surplus buildup. Crop produc-

tion would be well in excess of market requirements. Even though utilization might increase because of heavy supplies and low prices, ending stocks would increase by 20 to 40 million tons. Virtually all of the increase would wind up in CCC hands to be maintained at taxpayer's expense. Two years of this would push stocks back up to 1961 levels, completely nullifying the stocks- and cost-reduction results of the 1961–69 programs.

Low prices would deal a devastating blow to farm income. Gross returns from feed grains would be reduced $1 to $2 billion below 1969 levels. Livestock numbers would expand rapidly, demoralizing market prices and sharply reducing returns to producers.

Statistics

The following tables summarize feed grain supply, disappearance and gross returns, participation and diversion for the 1961–69 programs, and feed grain bases on a national scale.

TOTAL FEED GRAINS (CORN, SORGHUM, BARLEY AND OATS): SUPPLY, DISAPPEARANCE, VALUE OF PRODUCTION PLUS PAYMENTS AND ACREAGE, UNITED STATES, MARKETING YEARS, 1965–70

[All data in millions]

Year beginning [1]	Supply (tons)						Utilization (tons)				Value of production plus payments	Production factors	
	Carryover						Domestic						
	Government [2]	Other	Total	Production	Imports [3]	Total	Feed	Food seed and industry	Exports [3]	Total		Planted acres	Harvested acres
1956	34.7	8.5	43.2	119.3	0.9	163.4	94.3	12.6	7.7	114.6	5,366	158	120
1957	40.8	8.0	48.8	132.4	1.0	182.2	100.9	12.5	9.8	123.2	5,117	158	132
1958	49.7	9.3	59.0	144.1	.4	203.5	110.4	13.0	12.6	136.0	5,573	148	126
1959	58.0	9.5	67.5	149.5	.5	217.6	116.9	13.2	12.8	142.9	5,520	154	130
1960	65.7	8.9	74.6	155.5	.4	230.5	119.4	13.4	12.7	145.5	5,492	148	127
1961	74.7	10.3	85.0	139.8	.5	225.3	122.0	13.8	17.3	153.1	5,448	128	105
1962	62.5	9.7	72.2	141.7	.2	214.1	119.0	13.9	16.8	149.7	5,563	124	102
1963	55.8	8.6	64.4	153.8	.4	218.6	116.2	14.3	18.8	149.3	6,363	128	106
1964	56.6	12.7	69.3	134.2	.4	203.9	113.0	14.5	21.6	149.1	5,761	120	97
1965	43.7	11.1	54.8	157.4	.3	212.5	126.3	15.0	29.1	170.4	6,812	116	96
1966	24.4	17.7	42.1	157.6	.3	200.0	125.7	15.2	22.0	162.9	7,377	117	98
1967	18.3	18.8	37.1	176.0	.3	213.4	126.4	15.4	23.3	165.1	7,503	121	101
1968	29.5	18.8	48.3	168.9	.3	217.5	133.4	15.7	18.4	167.5	7,837	117	97
1969 (estimate)	33.4	16.6	50.0	174.2	.3	224.5	140.5	16.0	18.0	174.5	8,599	116	95
1970 (estimate)			47.0	174.7	.3	222.0						120	100

[1] Marketing year beginning Oct. 1 for corn and grain sorghum; July 1 for barley and oats.
[2] Under loan and owned by CCC.
[3] Includes grain equivalent of products.

Source: U.S. Department of Agriculture.

FEED GRAINS: SUPPLIES, UTILIZATION AND PRODUCTION FACTORS, UNITED STATES, ANNUAL 1956–70

[All data in millions except yields]

Marketing year carryover	Supply (bushels)				Utilization (bushels)				Production factors		
					Domestic						
	Carryover	Production	Imports	Total	Feed	Food seed and industry	Exports	Total	Planted acres	Harvested acres	Yield per harvested acre (bushels)
CORN											
1956	1,165	3,075	1	4,241	2,377	261	184	2,822	78	65	47.4
1957	1,419	3,045	2	4,466	2,535	262	200	2,997	73	63	48.3
1958	1,469	3,356	1	4,826	2,782	290	230	3,302	73	64	52.8
1959	1,524	3,825	1	5,350	3,043	290	230	3,563	83	72	53.1
1960	1,787	3,907	1	5,695	3,092	295	292	3,679	81	71	54.7
1961	2,016	3,598	1	5,615	3,212	315	435	3,962	66	58	62.4
1962	1,653	3,606	1	5,260	3,157	322	416	3,895	65	56	64.7
1963	1,365	4,019	1	5,385	3,009	339	500	3,848	69	59	67.9
1964	1,537	3,484	1	5,022	2,957	348	570	3,875	66	55	62.9
1965	1,147	4,084	1	5,232	3,347	358	687	4,392	65	55	73.8
1966	840	4,117	1	4,958	3,284	364	487	4,135	66	57	72.3
1967	823	4,760	1	5,584	3,421	368	633	4,422	71	61	78.6
1968	1,162	4,393	1	5,556	3,535	372	536	4,443	65	56	78.6
1969 estimate	1,113	4,578	1	5,692	3,664	378	550	4,592	64	55	83.9
1970 estimate	950	4,693	1	5,644					67	58	80.9
GRAIN SORGHUM											
1956	81	205		286	173	12	22	207	21	9	22.2
1957	79	568		647	269	12	57	338	27	20	28.8
1958	309	581		890	269	11	100	380	21	17	35.2
1959	510	581		1,065	372	14	98	484	20	15	36.1
1960	581	620		1,201	415	13	71	499	20	16	39.7
1961	702	480		2,182	411	11	99	521	14	11	43.7
1962	661	510		1,171	391	12	113	516	15	12	44.1
1963	655	585		1,240	471	13	107	591	18	13	43.9
1964	649	490		1,139	412	13	148	573	17	12	41.7
1965	566	673		1,239	569	13	266	848	17	13	51.6
1966	391	715		1,106	600	14	248	862	16	13	55.8
1967	244	756		1,000	532	13	166	711	19	15	50.4
1968	289	740		1,029	622	13	106	741	18	14	52.9
1969 estimate	288	743		1,031	698	13	80	791	17	14	55.2
1970 estimate	250	680		930					18	14	50.0

SUPPORT PRICE, SEASON AVERAGE PRICE RECEIVED BY FARMERS AND CCC HOLDINGS, 1956–69 CROPS

CORN

Crop year beginning Oct. 1	Price per bushel (dollars)			CCC holdings at end of marketing year [1] (million bushels)		
	Total support	Loan rate	Season average	Inventory	Loans	Total
1956	[2] 1.50	1.50	1.29	873.3	386.6	1,259.9
1957	[2] 1.40	1.40	1.11	1,077.1	276.7	1,353.8
1958	[2] 1,36	1.36	1.12	1,184.4	216.3	1,400.7
1959	1.12	1.12	1.05	1,312.8	389.4	1,702.2
1960	1.06	1.06	1.00	1,371.0	556.3	1,927.3
1961	1.20	1.20	1.10	867.3	688.8	1,556.1
1962	1.20	1.20	1.12	802.6	525.5	1,328.1
1963	1.25	1.07	1.11	828.4	480.3	1,308.7
1964	1.25	1.10	1.17	540.3	392.5	932.8
1965	1.25	1.05	1.16	248.6	301.1	549.7
1966	1.30	1.00	1.24	138.8	234.5	373.3
1967	1.35	1.05	1.03	182.3	533.2	715.5
1968	1.35	1.05	1.08	295.1	442.1	737.2
1969 (estimate)	1.35	1.05	1.13	300.0	450.0	750.0
GRAIN SORGHUM						
1956	1.10	1.10	1.15	75.1	24.7	99.8
1957	1.04	1.04	.973	294.9	35.5	330.4
1958	1.02	1.02	.999	490.6	24.7	515.3
1959	.85	.85	.858	561.6	22.1	583.7
1960	.85	.85	.836	673.5	43.3	716.8
1961	1.08	1.08	1.01	647.6	36.5	684.1
1962	1.08	1.08	1.02	612.1	37.7	649.8
1963	1.12	.96	.975	615.2	49.7	664.9
1964	1.12	.99	1.05	539.5	46.6	586.1
1965	1.12	.92	1.00	384.6	38.0	422.6
1966	1.15	.85	1.02	193.1	27.7	220.8
1967	1.20	.90	1.00	192.5	64.9	257.4
1968	1.20	.91	.95	198.7	62.5	261.2
1969 (estimate)	1.20	.90	1.08	160.0	50.0	210.0

[1] As of Sept. 30 of the calendar year following the year of the crop.
[2] Support for noncompliers was 25 cents per bushel less in 1956 and 30 cents per bushel less in 1957 and 1958.

Source: U.S. Department of Agriculture.

FEED GRAIN PROGRAMS

Program	Percent of total farms participating	Percent of total base participating	Acreage diverted (million acres)	Payments (price support and diversion, millions of dollars) [1]
1961 [2]	40.0	59.0	25.2	782
1962	38.3	55.2	28.2	844
1963	37.3	58.6	24.5	846
1964	39.0	58.4	32.4	1,171
1965	44.8	65.5	34.8	1,382
1966	44.3	61.6	34.7	1,296
1967 [2]	43.2	60.7	20.3	867
1968 [2]	47.2	65.6	32.4	1,368
1969	50.0	68.4	39.1	1,644

[1] Payments under the 1961–69 programs.
[2] Corn and grain sorghams only, barley included in other years.

NATIONAL FEED GRAIN BASE ACREAGES ESTABLISHED FOR EACH OF THE FEED GRAIN PROGRAMS, 1961–70

Year	Corn	Grain sorghum	Barley	State reserve for new farms	Total
1961	87,355,300	20,536,300			107,891,600
1962	86,361,047	20,923,027	16,056,647		123,340,721
1963 [1]	90,045,502	24,352,046	17,880,997		132,278,545
1964 [2]	89,890,143	24,340,027	17,853,023	187,951	[2] 132,280,026
1965	89,962,754	24,341,228	17,866,723	89,961	132,269,214
1966 [3]	90,441,683	24,723,479	18,023,006	87,387	133,275,555
1967 [4]	90,429,810	24,724,738	([4])	37,786	115,192,334
1968 [4]	90,381,506	24,714,670	([4])	36,054	115,132,230
1969	90,342,468	24,707,912	18,009,043	35,679	133,095,102
1970	90,296,552	24,699,607	18,003,994	28,696	133,028,849

[1] Feed grain acreage in conservation reserve of soil bank added to feed grain bases.
[2] Feed wheat acreage totaling 8,882 acres included in the total feed grain base (but not in corn, sorghum, or barley bases). New farm reserve established for 1st time from established commodity bases.
[3] Feed wheat (8,548 acres) permanently credited to the predominate feed grain on each applicable farm. If farm had no other feed grain, acreage credited to predominate feed grain in county.
[4] Barley excluded from program.

SECTION-BY-SECTION ANALYSIS OF TITLE V

Section 501. Price support, payments, set-aside, land diversion: Effective only with respect to the 1971 through 1973 crops, this section amends section 105 of the Agricultural Act of 1949 to provide for—

(1) Loans and purchases on corn at such level not less than $1 per bushel nor more than 90 percent of parity as will encourage exports and not result in excessive stocks in the United States. In addition, payments would be made on 50 percent of the farm feed grain base at a rate, in the case of corn, equal to the amount by which $1.35 per bushel exceeds the national average market price received by farmers for corn during the first 5 months of the marketing year, but in no event less than a rate of 32 cents per bushel. (The existing law currently applicable requires that total price support on corn applicable to the entire permitted acreage be not less than 65, nor more than 90 percent of parity. Such portion thereof as is desirable to assure that the benefits of the program inure primarily to cooperators is required to be made in the form of payments in kind. The payments may be bunched up and made at a higher rate on a smaller acreage, but the sum of the loan rate and the payment averaged over the projected yield of the entire permitted acreage must be not less than 65 percent of parity.) Under this section payments would be made on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

Loans and purchases are to be made available on each crop of barley, oats, and rye at fair and reasonable levels in relation to corn, taking into consideration the feeding value of the commodity in relation to corn and the other factors specified in section 401(b) of the 1949 act. This follows the pattern of existing law. In the case of grain sorghums, however, the bill directs the Secretary to take into consideration the feed value and average transportation costs to market of grain sorghums in relation to corn in lieu of the factors specified in section 401. This revision is designed to increase the loan on grain sorghums in relation to corn.

Loans must be made available on the 1971 through the 1973 crops on feed grains stored on the farm where produced, and farm storage loans must be renewed to the maximum extent practicable.

Payments are to be made on grain sorghums and barley at rates fair and reasonable in relation to those available for corn.

The feed grain base would be, as at present, the average acreage devoted to corn, grain sorghums and barley in 1959 and 1960. Unlike existing law, no feed grains (or soybeans) would have to be planted to qualify for payments. Also unlike existing law, feed grain bases may be lost through failure to plant or underplanting. If no acreage is planted for 3 consecutive years, the farm loses its base. If less than 45 percent of the feed grain base (90 percent of the 50 percent upon which payments are made) is planted in any year, the feed grain base for future years is to be reduced by the percentage by which the planted acreage is less than 50 percent of the feed grain base, but the feed grain base shall not be reduced by more than 20 percent. For example, if the feed grain base were 100 acres and the producer planted 45 acres or more, no base would be lost. If the producer had planted only 44 acres, future feed grain bases would be reduced to 88 acres. If the producer had planted 40 acres or less, the reduction would have been to 80 acres. No farm feed grain base can be reduced or lost through failure to plant if the producer elects not to receive payment for the portion of the feed grain base not planted. The bases lost through failure to plant or underplanting are pooled for use in adjusting feed grain bases in any State or county at the request of the State committee. Any acreage not planted because of conditions beyond the control of the producer is considered planted to feed grains. The Secretary may also provide that acreage devoted to soybeans or wheat shall be considered devoted to feed grains to such extent and subject to such terms and conditions as will not impair the feed grain or soybean programs.

(2) A set-aside of cropland if the Secretary determines that agricultural production would otherwise be excessive. The set-aside provisions require producers, as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and barley to devote to approved conservation uses an acreage of cropland equal to (i) the percentage (could be more than 100) of the farm feed grain base specified by the Secretary, plus (ii) the acreage of cropland so devoted in preceding years. Producers can plant and graze sweet sorghum on the set-aside acreage and subject to such terms and conditions as the Secretary may prescribe, the set-aside acres may be devoted to grazing, or planted for harvest to guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, or flaxseed or other commodity if needed to provide an adequate supply and not likely to increase the cost of the program and adversely affect farm income.

The Secretary may permit producers of malting barley to qualify for loans or purchases without participating in the set-aside program if the producer previously produced a malting variety and plants for harvest barley only of an acceptable malting variety.

The Secretary is authorized to limit the acreage planted to feed grains to any percentage of the feed grain base he sees fit for the 1971, 1972, and 1973 crops to provide an orderly transition to the new

program. Compliance would be required as a condition of eligibility for price support and payments.

Under currently applicable law price support is conditioned on participation in the feed grain diversion program to the extent prescribed by the Secretary.

(3) A diversion program, under which the Secretary may make land diversion payments at fair and reasonable rates to producers diverting acreage additional to that required by the set-aside program. The total acreage diverted in any county or local community is to be limited so as not to adversely affect the economy of the county or local community.

(4) Additional payments, if the producer permits public access, without other compensation, to set-aside or diverted acres for hunting, trapping, fishing, and hiking.

(5) General provisions applicable to the set-aside and diversion programs, for control of erosion, insects, weeds, and rodents; use of the set-aside or additional diverted acreage to wildlife food plots and habitat; forfeiture of eligibility for loans and payments for failure to divert as provided by agreements; modification of such agreements if necessary to alleviate a shortage; sharing of payments; partial benefits for partial compliance; issuance of preliminary nonrefundable payments within 60 days after sign-up each year at a rate equal to 32 cents per bushel for corn and comparable rates for grain sorghum and barley; issuance of regulations determined necessary to carry out the program; and use of the Commodity Credit Corporation in carrying out the program. Sharing of payments among the producers on the farm is to be on a fair and equitable basis. Under the law currently applicable, sharing of diversion payments is on a fair and equitable basis in keeping with existing contracts, while sharing of price support payments is on the basis of respective shares in the crop. In any case in which the Secretary determines that such basis is not fair and equitable, he can provide for sharing on a basis he determines fair and equitable.

(6) A feed grain base, based, as at present, on the average acreage devoted to corn, grain sorghums, and barley, in 1959 and 1960. Authority is conferred on the Secretary to adjust acreages including the conserving use acreage. Upon request of a majority of the State committee, the Secretary shall adjust the feed grain bases for farms within any county or State in order to establish fair and equitable bases within such State or county. Unanimous request of the State committee is required under the currently applicable law. Such adjustment is not to increase the total State feed grain acreage, except for acreage apportioned to new feed grain farms. Such adjustment would not prevent a downward adjustment of any farm feed grain base for underplanting. Like existing law a reserve of up to 1 percent of the estimated total feed grain bases for all farms in a State is authorized to provide bases for farms which had no feed grain acreages in 1959 and 1960. The new provision differs from existing law in that it omits past experience of the operator as an apportionment factor, prohibits any part of the reserve from being allocated to reflect new cropland brought into production after the date of enactment of the set-aside program, and omits a provision prohibiting conservation payments the first year a feed grain base is established. Unless the Secretary should exercise his authority to limit acreage planted to feed

grains for the 1971, 1972, and 1973 crops, a producer may increase his feed grain acreage to the extent that he can do so while maintaining his conserving base, set-aside, and additional acreage diverted to conserving use.

TITLE VI—COTTON

Need for legislation

The cotton situation has sharply changed since the enactment of the 5-year program provided by the Food and Agriculture Act of 1965. This legislation was born in a climate of burdensome surpluses. Therefore, a primary objective of that act was to reduce supplies of cotton and this has been achieved. Further, that act provided immeasurable help in strengthening and maintaining farm income.

Other problems have developed over time. These include intense competition from manmade fibers, increased cotton production costs, and production below our needs. The new approach taken by the committee is designed to rectify these problems, as well as to maintain a balance as between supply and demand and to strengthen and maintain farm income.

SHORT EXPLANATION

This title provides for the 1971 through 1973 crops of upland cotton for—

(1) a minimum national acreage allotment for marketing quota purposes of 14.5 million acres—with discretionary authority in the Secretary to apportion certain additional acreage;

(2) a maximum set-aside (diversion) of 12½ percent of the farm acreage allotment;

(3) a minimum national farm base acreage allotment for payment purposes of 14.5 million acres minus a percentage thereof equal to the set-aside percentage—or an absolute minimum payment base of about 12.7 million acres;

(4) a loan level to reflect for Middling 1-inch cotton 90 percent of the average 2-year world price;

(5) payments equal to the difference between the loan level and the greater of (i) 35 cents, or (ii) 65 percent of parity;

(6) a 30-percent increase in payment rates for low-income small farmers; and

(7) annual expenditures for research and promotion up to $10 million.

STATISTICS

The following tables summarize 1969 program results as well as cotton production, consumption, exports, and supplies for a number of years.

TABLE 4.—COTTON, OTHER THAN EXTRA-LONG STAPLE

[1,000 bales][1]

Year beginning Aug. 1	Supply						Distribution		
		Ginnings							
	Carryover Aug. 1	Current crop less ginnings prior to Aug. 1 of current season	New crop prior to Aug. 1 end of season	New imports (total less reexports)	City crop	Total	Mill consumption	Net exports (total less reimports)[2]	Total
1955	11,028.5	14,186.6	404.8	50.7	47.0	25,717.6	[3] 9,084.7	2,194.4	11,279.1
1956	14,399.0	12,697.3	230.8	43.3	50.0	27,420.4	[3] 8,496.2	7,539.8	16,036.0
1957	11,269.3	10,569.9	212.6	96.6	58.0	22,206.4	[3] 7,899.8	5,707.1	13,606.8
1958	8,615.3	11,140.9	150.5	51.0	51.0	20,008.7	[3] 8,593.7	2,766.0	11,359.6
1959	8,732.6	14,295.5	139.8	47.5	50.0	23,265.4	8,879.4	7,178.2	16,057.6
1960	7,404.3	14,059.2	277.7	[4] 41.5	63.0	21,795.7	[3] 8,131.2	6,625.0	14,756.3
1961	7,089.5	14,035.8	287.4	[4] 68.2	64.0	21,544.9	[3] 8,763.2	4,905.8	13,689.0
1962	7,714.0	14,467.0	244.7	54.5	68.0	22,575.2	[3] 8,258.3	3,348.2	11,606.5
1963	11,016.0	14,884.1	152.1	[5] 54.4	102.0	26,208.6	[3] 8,468.0	5,660.8	14,128.8
1964	12,125.1	14,880.2	180.1	[5] 35.5	70.0	27,290.9	9,018.6	4,038.4	13,057.0
1965	14,031.3	14,667.2	9.9	[5] 30.8	87.6	28,826.8	9,355.9	2,936.4	12,292.3
1966	16,574.0	9,481.3	256.5	[5] 28.9	50.0	26,390.7	[3] 9,349.9	4,655.9	14,005.8
1967	12,279.5	7,113.8	6.1	[5] 57.6	30.0	19,487.0	[3] 8,854.0	4,161.3	13,015.3
1968	6,257.6	10,832.3	79.8	[5] 37.9	40.0	17,247.6	[3] 8,115.9	2,722.9	10,838.8
1969	6,365.5	9,786.9	6.0	30.3	40.0	16,228.8	[3] 7,883.5	2,753.3	10,636.8
1970[6]	5,626.6	[7] 10,921.1	----------	30.0	40.0	16,617.7	----------	----------	----------

[1] Running bales except "net imports" which are in bales of 500 pounds, gross weight.
[2] Beginning 1956, reexports no longer published.
[3] Adjusted to cotton marketing year basis, Aug. 1–July 31.
[4] Does not include picker laps reported as raw cotton by the Bureau of the Census.
[5] Imports for consumption.
[6] Preliminary and estimated.
[7] Crop Reporting Board report of Aug. 10, 1970.

Source: USDA, ERS.

State	All farms	Allotment on all farms (acres)	Participating farms							
					Small farms		Price support			
			Farms	Allotment (acres)	Acres for payment	Payments	Acres for payment	Payments	Total payments	Planted acreage
Alabama	66,283	919,825	59,720	875,618	86,410	$4,732,610	511,308	$42,649,522	$47,382,132	565,452
Arizona	2,138	327,058	1,975	325,521	589	65,967	211,477	37,842,588	37,908,555	272,714
Arkansas	32,082	1,300,184	30,483	1,279,223	25,039	1,313,874	822,627	71,349,655	72,663,529	1,083,926
California	7,072	732,999	6,802	09,959	2,976	293,133	460,864	78,150,378	78,443,511	670,998
Florida	3,945	33,447	2,931	28,578	4,569	168,792	12,425	870,105	1,038,897	13,680
Georgia	43,480	778,131	37,325	696,471	52,629	2,539,430	393,890	32,728,597	35,268,027	409,411
Illinois	105	2,902	89	2,844	82	3,219	1,771	129,615	132,834	1,848
Kansas	1	15	1	15	5	131	8	256	387	8
Kentucky	403	6,981	332	6,688	360	22,757	4,174	411,953	434,710	5,552
Louisiana	18,913	541,986	17,975	532,512	21,577	1,258,960	335,652	33,304,965	34,563,925	437,733
Mississippi	57,010	1,512,827	52,845	1,487,512	65,104	3,813,841	931,968	106,800,824	110,614,665	1,214,451
Missouri	12,121	357,866	11,974	357,173	9,448	570,206	231,307	19,743,568	20,313,774	325,261
Nevada	15	3,476	15	3,476			2,259	316,409	316,409	2,289
New Mexico	4,147	171,147	3,988	167,444	2,633	196,902	108,255	12,589,713	12,786,615	146,470
North Carolina	54,864	450,480	49,634	419,737	71,037	2,937,390	175,034	11,238,364	14,175,754	184,641
Oklahoma	24,622	738,113	21,862	694,159	25,925	716,671	429,182	21,000,163	21,716,834	505,211
South Carolina	41,916	652,411	35,298	581,162	46,329	2,194,536	330,813	28,096,434	30,290,970	350,000
Tennessee	39,659	540,851	37,546	528,916	48,944	3,190,584	332,640	30,855,219	34,045,803	420,124
Texas	112,045	6,512,965	101,724	6,290,605	73,787	2,269,596	4,012,246	266,521,660	268,791,256	5,183,617
Virginia	3,528	16,995	3,026	15,835	3,727	142,566	5,071	300,598	443,164	5,403
United States	524,349	15,600,659	475,545	15,003,448	541,170	26,431,165	9,312,971	794,900,586	821,331,751	11,798,789

Source: USDA: Apr. 17, 1970.

SUMMARY OF DATA ON COTTON

Year	Allotment (1,000 acres)	U.S. production (million bales)	Consumption (1,000 bales)	Exports (1,000 bales)	Ending carryover (1,000 bales)	CCC ending stocks	Loans (1,000 bales)	Acquired (1,000 bales)	Spot market average (cents)	Export subsidy or differential	Loan rate middling 1-inch (cents)	Foreign free world production (million bales)	Foreign free world consumption (million bales)	Foreign free world exports (million bales)	Cotton acreage: United States (million acres)	Cotton acreage: Foreign free world (million acres)
1954	21,379	13.5	8,730	3,445	11,028	8.1	2,308	1,648	35.0		34.03	15.9	18.7	7.2	19.2	43.5
1955	18,113	14.6	9,085	2,194	14,399	9.8	7,257	6,038	35.4	(1)	34.55	16.4	19.5	9.4	16.9	47.2
1956	17,391	12.9	8,496	7,540	11,269	5.2	4,830	3,677	33.5	7.2	32.74	15.9	20.9	6.7	[2] 15.6	45.9
1957	17,585	10.8	7,900	5,707	8,615	2.9	3,657	2,464	34.4	6.2	32.31	16.9	20.4	6.9	[2] 13.5	46.0
1958	17,554	11.3	8,594	2,766	8,733	7.0	6,832	6,039	34.5	6.5	35.08	17.5	20.5	9.0	[2] 11.8	46.7
1959	17,346	14.4	8,879	7,178	7,404	5.0	335	26(A, B)	31.9	8.0	34.10(A) 28.40(B)	16.6	22.2	8.4	15.1	44.9
1960	17,553	14.3	8,131	6,625	7,090	1.5	540	1(A, B)	31.0	6.0	32.42(A) 26.63(B)	19.0	23.5	8.5	15.2	45.8
1961	18,458	14.3	8,783	4,906	7,741	4.7	4,833	3,245	33.7	8.5	33.04	19.5	23.6	8.9	15.6	48.4
1962	18,101	14.7	8,258	3,348	11,016	8.0	6,809	4,723	33.5	8.5	32.47	21.9	23.2	10.9	15.5	49.0
1963	16,250	15.0	8,468	5,661	12,125	10.2	7,969	5,933	33.2	8.5	32.47	21.9	24.4	10.5	14.1	49.9
1964	16,200	15.0	9,019	4,038	14,031	11.4	7,288	4,824	30.7	6.5	30	22.9	25.0	10.7	14.0	50.4
1965	16,200	14.8	9,356	2,936	16,574	12.1	6,926	4,737	29.6	5.75	29	23.6	24.9	11.6	13.5	49.9
1966	16,200	9.5	9,350	4,656	12,280	5.6	3,095	1,375	22.1	(3)	[4] 21.00	22.8	25.3	10.8	9.5	48.8
1967	16,200	7.4	8,854	4,161	6,258	.6	1,482	32	24.8		[4] 20.25	23.9	25.5	10.4	7.9	49.9
1968	16,200	10.8	8,116	2,723	6,366	2.8	4,414	2,775	22.9		[4] 20.25	26.0	26.4	11.5	10.1	50.1
1969	16,200	9.9	[5] 8,120	[5] 2,475	[5] 5,696						[4] 20.25	[5] 25.1	[5] 26.7	[5] 12.6	[5] 11.0	[5] 50.4
1970	17,150															

[1] Export differential on 1,000,000 bales averaged 6.5 cents per pound. There was no export differential on 1,200,000 bales.
[2] Average reserve program was in effect in United States in 1956 to 1958.
[3] Payment eliminated.
[4] Does not include direct Government price support or diversion payments to producers.
[5] Estimate.

Source: U.S.D.A.: May 8, 1970.

SECTION-BY-SECTION ANALYSIS OF TITLE VI

Section 601 (1). Marketing quotas and acreage allotments: This section continues marketing quotas for cotton but provides that for each of the 1971 through 1973 crops—

(1) The quota shall be not less than the bales needed to provide a 14,500,000 national acreage allotment,

(2) Each farm acreage allotment (computed without regard to clause 3) shall bear a relationship to the final farm base acreage allotment as the national acreage allotment bears to the national base acreage allotment. Base acreage allotments are computed as described below for the purpose of the set-aside program,

(3) If determined necessary to provide an adequate supply of cotton, farm cotton acreage allotments may be increased to permit planting of cotton on the set-aside acreage and additional acreage may be apportioned to farm operators who apply. The additional acreage cannot exceed 25 percent of the national allotment and is to be apportioned based on certain specified factors. Producers on a farm receiving increased allotments are not entitled to loans and purchases on the yield from the increased allotment provided for under clause (3)—i.e. the yield used in computing payments for the farm.

Section 601(2). National Cotton Production Goal: This section provides for the proclamation not later than November 15 of the preceding year of a national production goal for each of the 1971, 1972, and 1973 crops of upland cotton. The national production goal would equal estimated domestic consumption and exports for the marketing year applicable to the crop, plus not less than 5 percent for expansion, adjusted as necessary to (1) maintain adequate but not excessive carryover stocks in the United States (not less than 50 percent of the average offtake for the 3 preceding marketing years), (2) provide a stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries, and (3) provide an adequate reserve for purposes of security.

Section 601(3). Sale and Lease of Farm Base Acreage Allotments: This section extends and amends section 344a of the Agricultural Adjustment Act (which provides for the sale, lease, and transfer of cotton acreage allotments and which would otherwise expire with the 1970 crop) to—

(1) Make it applicable to the farm base acreage allotments (for 1971 through 1973) created by the bill;

(2) Make temporary transfers of acreage allotment made under the existing law and extending beyond 1970 applicable pro rata to transfer farm base acreage allotments;

(3) Prohibit any temporary transfer by lease entered into after March 15, 1970, from being effective for 1974 and subsequent crops;

(4) Delete the current provision prohibiting the sale or lease of an allotment for transfer to a farm in another county unless approved by producers voting in a referendum.

This section differs from the House bill in that it does not suspend a number of other provisions contained in section 344a.

Section 601(4). Base Acreage Allotments: This section amends section 350 of the Agricultural Adjustment Act of 1938 (which provided for domestic acreage allotments for the 1966 through 1970

crops), to provide for base acreage allotments for the 1971 through 1973 crops.

Section 350(a), as it would be amended, provides for the proclamation, not later than November 15 of each year, of a national base acreage allotment for the succeeding year. The national base acreage allotment would be not less than 14.5 million acres less a percentage thereof equal to the percentage of the farm acreage allotment used in determining the set-aside requirement (or an absolute minimum payment base of about 12.7 million acres). This compares with a minimum national acreage allotment provided for by existing law of 16 million acres, an actual national acreage allotment for 1970 of 17.15 million acres, and total farm domestic allotments in 1970 of about 11.1 million acres.

Subsection (b) provides for apportionment of the national base acreage allotment to the States on the basis of the acreage planted and regarded as planted to upland cotton within the farm acreage allotment or the farm base acreage allotment, if applicable, during the 5-year period immediately preceding the calendar year in which the national production goal was proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period. (This is generally similar to existing law for allocation of acreage allotments, but omits the national reserve of up to 310,000 acres for apportionment to States on the basis of need for additional acreage for minimum allotments).

Subsection (c) provides for the apportionment of the State base acreage allotment to the counties on the same basis as to years and conditions as applicable to the State under subsection (b), except that the State committee could reserve not to exceed 2 percent of the State allotment to adjust county allotments for trends, abnormal conditions adversely affecting plantings, small farms or new farms, or to correct inequities in farm allotments and to prevent hardships. (This is generally similar to existing law for allocation of acreage allotments, except that the reserve may be as high as 10 percent under existing law (15 percent in the case of Oklahoma)).

Subsection (d) would authorize the Secretary to adjust the apportionment base for each county as necessary because of transfers of allotments across county lines.

Subsection (e)(1) provides for apportionment of the county base acreage allotment for the 1971 crop to old cotton farms in the county on the basis of the 1970 farm domestic acreage allotment and for the 1972 and subsequent crops on the basis of the farm base acreage allotment established for the farm for the preceding year. The reduction of the farm base for purposes of establishing the 1971 allotment under present law would still be applicable and would affect the 1971 farm base acreage allotment. The county committee could establish a county reserve not in excess of 10 percent of the county allotment to establish new farm allotments and to adjust old farm allotments. No part of such reserve could be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

Subsection (e)(2) provides that if a farm plants less than 90 percent of its base acreage allotment, the acreage planted or 80 percent of such base acreage allotment, whichever is greater, shall be used in lieu of such base acreage allotment in computing its base allotment for

the succeeding crop. An acreage on the farm which the Secretary determined was not planted to cotton because of a natural disaster, payment limitation, or quarantine would be considered to be an acreage planted cotton. If wheat or feed grain producers are permitted to plant soybeans, wheat, or feed grains and preserve their history, cotton producers shall also be permitted to plant such crops in lieu of cotton and preserve their cotton history to such extent as will not impair the cotton or soybean programs.

Subsection (e)(3) provides for loss of the base acreage allotment if no acreage is planted to cotton for any three consecutive crops on any farm which had a farm base acreage allotment for such years.

Subsection (f) permits release and reapportionment of upland cotton farm base acreage allotments for the 1971, 1972, and 1973 crops. The manner and terms and conditions applicable to such release and reapportionment would be similar to those for farm acreage allotments under existing law, except that the releasing farm would not be required to plant once each 3 years.

Subsection (g) provides that any farm receiving any base acreage allotment through reapportionment of release allotment, sale, lease, or transfer shall comply with set-aside requirements of the bill applicable to such acreage.

Subsection (h) provides, in the case of natural disasters and other conditions beyond the control of the producer, for transfers of allotment from an affected farm to another farm in the county or in an adjoining county in a manner similar to that provided by existing law.

Section 602. Price Support, Payments, Set-Aside: This section amends section 103 of the Agricultural Act of 1949 to provide for—

(1) Price support for the 1971 through 1973 crops of upland cotton through loans to cooperators for a term of 1 year at such levels as will reflect for middling 1-inch cotton at average location in the United States 90 percent of the average wourld price for such cotton for the prior 2-year period. The Secretary may make adjustments in such level to prevent a loan level which would adversely affect the U.S. competitive position following a year or years of excessive prices. The loan level for each crop is to be determined and announced not later than November 15 of the preceding year. (Currently applicable law provides for support loans at the world price estimated for the marketing year for the crop).

(2) Payments to cooperators for such crops. The payment rate per pound would be equal to the larger of (1) the amount by which 35 cents or 65 percent of parity as of the beginning of the marketing year exceeds the loan rate. The payment rate is to be increased by 30 percent for a producer who during the prior 3-year period had average gross annual sales of farm products no more than $5,000 and average annual off-farm earned income of no more than $2,000 and who is on a small farm. Preliminary payments at a 15-cent rate would be made to producers as soon as practicable after July 1 of the year in which the crop was harvested. The payments so made could not be reduced if the rate as finally determined is less than the rate of the preliminary payment. Cotton must be planted in order to qualify for payments, and payments are made on the quantity of cotton determined by multiplying the acreage planted within the farm base acreage allotment by the average of the actual yield per harvested acre of upland cotton during the 3 preceding years adjusted for abnormal yield caused by natural

disaster. The 1970 farm projected yield is to be substituted for the actual yields for 1968 and 1969. The average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production in the preceding year is not less than the yield used for payments for that year times the farm base acreage allotment for that year.

The yield provisions differ from those in the House bill. The Senate amendment would permit obtaining production records for only 1 year to establish payment yields for 1971, thereby avoiding a tremendous job for producers, handlers (ginners and buyers), and Department personnel which would result if records needed to be obtained for the past 3 years. Harvested acreage is used instead of planted acreage as in the House bill. In recent years, yields have been established on a harvested acreage basis. The Senate provisions would provide producers with an additional option in determining their own best level of acreage and yield and avoid the complusion for producers to try to get the highest possible yield on a restricted acreage through a high level of imports of fertilizer, insecticides, irrigation water, labor, et cetera. If more economic to do so, they could expand their acreage and grow fewer pounds per acre at a lower cost of production per pound of lint.

If 90 percent of the allotment is planted, the entire allotment is considered planted. Acreage not planted to cotton because of a natural disaster, payment limitation or quarantine is also considered planted. (Under currently applicable law payments are made on the projected yield of the acreage planted within the domestic allotment at a rate equal to the larger of (1) 9 cents per pound, or (2) a rate which will cause the projected yield of the entire permitted acreage to be supported through loans and payments at not less than 65, nor more than 90, percent of parity. The loan rate for the 1970 crop is 20.25 cents per pound, and the payment rate is 16.80 cents per pound. Payment rates for 1968 and 1969 were 12.24 and 14.73 per pound.)

(3) Set-aside of cropland if the Secretary determines that agricultural production would otherwise be excessive. The set-aside provisions require producers, as a condition of eligibility for loans and payments, to devote to approved conservation uses an acreage of cropland equal to (i) the percentage (not to exceed 12½) of the farm acreage allotment specified by the Secretary, plus (ii) the acreage of cropland so devoted in preceding years (as determined by the Secretary). The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

(4) A diversion program under which the Secretary may make land diversion payments at fair and reasonable rates to producers diverting acreage additional to that required by the set-aside program. The total acreage diverted in any county or local community is to be limited so as not to adversely affect the economy of the county or local community. (Under currently applicable law producers may be required to divert up to 12.5 percent of their allotments for payments equal to not less than 25 percent of parity. Additional acreage may be diverted if the Secretary so prescribes, up to a total diversion of 35 percent of the allotment at a fair and reasonable rate not exceeding 40 percent of parity. In addition to the above payments for diversion, producers on small farms (10 acres, 3600 pounds, or less) receive payment on 35

percent of their allotments at the rate for mandatory diversion, without regard to whether they divert any acreage.

(5) Payments if the producer permits public access for hunting, trapping, fishing, and hiking.

(6) General provisions applicable to the set-aside and diversion program for control of erosion, insects, weeds, and rodents; use of the set-aside or additional diverted acreage for wildlife food plots and habitat; forfeiture of eligibility for failure to set aside as provided by agreements; modification of such agreements if necessary to alleviate a shortage; protection of tenants and sharecroppers and sharing of payments; partial benefits for partial compliance; issuance of regulations; use of Commodity Credit Corporation in carrying out the program; and assignment of payments made to secure financing as provided by section 8(g) of the Soil Conservation and Domestic Allotment Act. Sharing of payments is to be on a fair and equitable basis. (Under the law currently applicable diversion payments are shared on a fair and equitable basis; while price-support payments are shared on the basis of respective shares in the crop, except that in any case the Secretary determines that such basis would not be equitable he shall determine a fair and equitable basis.)

Section 603. Commodity Credit Corporation minimum sales prices: This section amends a provision in section 407 of the Agricultural Act of 1949 which now requires until July 31, 1971, that Commodity Credit Corporation sell upland cotton for unrestricted use (1) at the same price it sells cotton for export, but not less than 110 percent of the loan rate, and (2) at current market prices in each marketing year in a quantity equal to that by which production falls short of domestic and export requirements. This section extends this provision indefinitely and modifies the restriction described in clause (1) above to prohibit sales at less than 110 percent of the loan rate plus an allowance for carrying charges which will reflect commercial rates and interest at the rate charged by Commodity Credit Corporation on cotton loans.

Section 604. Cooperators: This section amends the definition of cooperator to provide that for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer with a farm base acreage allotment who has complied with the set-aside program. (Under currently applicable law a cooperator is a producer whose planted acreage does not exceed the cooperator percentage (87.5 to 100 percent of the farm allotment, as prescribed by the Secretary). Small farms (10 acres, or 3,600 pounds, or less) need only comply with their allotments.)

Section 605. Technical amendments: This section amends the Agricultural Adjustment Act of 1938 to make section 378 (eminent domain) and section 379 (reconstitution of farms) applicable to the farm base acreage allotments provided for by the bill; and to make section 385 (finality of payments) applicable to payments under the cotton set-aside programs provided for by the bill.

Section 606. Allotment transfers on State lands: This section extends section 706 of the Food and Agriculture Act of 1965 (which deals with transfer of allotments on State lands) to cover the farm base acreage allotments provided for by the bill.

Section 607. Applicability of 1949 act provisions: This section makes it clear that certain provisions of the Agricultural Act of 1949 would apply to the loan operations for upland cotton provided for by the bill. These include section 401(a) which provides for use of Com-

modity Credit Corporation and other available means, section 402 which sets forth special circumstances under which support may be made available at an increased level from the maximum level otherwise provided in the act, section 403 which authorizes adjustments in the support price of a commodity for differences in grade, location and other factors, section 406 which requires advance announcement of the level of support and section 416 which authorizes disposition of commodities to prevent waste.

Section 608. Cottonseed-soybean price support relationship: This section makes section 203 of the Agricultural Act of 1949 inapplicable to the 1971 through 1973 crops. Section 203 requires that whenever the cottonseed or soybean price is supported the other shall be supported at such level as will cause them to compete on equal terms on the market.

Section 609. Reports. This section requires annual reports by the Secretary on the programs carried out under title VI of the act.

Section 610. Cotton Market Development and Research Programs: This section provides for Commodity Credit Corporation to enter into contracts, through the Cotton Board established under the Cotton Research and Promotion Act, for the conduct in domestic and foreign markets of programs to aid in the development of new markets, marketing facilities and uses for cotton and cotton products. The amount available for such agreements is the amount withheld from producers (up to $10 million) because of the application of the payment limitation. No funds available under the section can be used to influence cotton legislation or general farm policy.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

Section 701. Extension of Public Law 480, 83d Congress: This section extends the authority to enter into agreements to finance sales under title I, and to enter into programs of assistance under title II, of Public Law 480 until December 31, 1973. These authorities would otherwise expire December 31, 1970. Title I of Public Law 480 provides for foreign currency and dollar credit sales of agricultural commodities to friendly countries. Title II authorizes the donation of agricultural commodities outside the United States for a number of specified purposes.

VALUE OF U.S. FARM PRODUCTS SHIPPED UNDER PUBLIC LAW 480 COMPARED WITH TOTAL EXPORTS OF U.S. FARM PRODUCTS, JULY 1, 1954, THROUGH DEC. 31, 1969[1]

[In millions of dollars]

Calendar year	Public Law 480						Total agricultural exports				
	Sales for foreign currency	Long-term dollar and convertible foreign currency credit sales	Government-to-government donations for disaster relief and economic development	Donations through voluntary relief agencies	Barter[2]	Total Public Law 480	Mutual security (AID)[3]	Total Government programs	Commercial sales[4]	Total agricultural exports	Public Law 480 as percent of total
1954 (July–December)			28	20	22	70	211	281	1,304	1,585	4
1955	263		56	186	262	767	351	1,118	2,081	3,199	24
1956	638		65	187	372	1,262	449	1,711	2,459	4,170	30
1957	760		39	175	244	1,218	318	1,536	2,970	4,506	27
1958	752		43	159	65	1,019	214	1,233	2,622	3,855	26
1959	732		32	111	175	1,050	158	1,208	2,747	3,955	27
1960	1,014		49	124	117	1,304	157	1,461	3,371	4,832	27
1961	878	1	93	151	181	1,304	179	1,483	3,541	5,024	26
1962	1,006	42	81	178	137	1,444	35	1,479	3,555	5,034	29
1963	1,161	52	99	160	37	1,509	11	1,520	4,064	5,584	27
1964	1,233	97	62	186	43	1,621	23	1,644	4,704	6,348	26
1965	899	152	73	180	19	1,323	26	1,349	4,880	6,229	21
1966	815	239	79	132	41	1,306	47	1,353	5,528	6,881	19
1967	736	193	108	179	13	1,229	33	1,262	5,118	6,380	19
1968	540	384	101	150	3	1,178	11	1,189	5,039	6,228	19
1969	335	427	103	153		1,018	(5)	1,018	4,918	5,936	17
Total July 1 1954 through Dec. 31, 1969	11,762	1,587	1,111	2,431	1,731	18,622	2,223	20,845	58,901	79,746	23

[1] Export market value.

[2] Annual exports have been adjusted for 1963 and subsequent years by deducting exports under barter contracts which improve the balance of payments and rely primarily on authority other than Public Law 480. These exports are included in the column headed "Commercial sales."

[3] Sales for foreign currency, economic aid, and expenditures under development loans.

[4] Commercial sales for dollars include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of short- and medium-term credit, export payments, sales of Government-owned commodities at less than domestic market prices, and for 1963 and subsequent years, exports under barter contracts which benefit the balance of payment and rely primarily on authority other than Public Law 480.

[5] Not available.

GROSS COST OF FINANCING PROGRAMS CARRIED OUT UNDER THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, PUBLIC LAW 480, 83d CONG., AS AMENDED, JULY 1, 1954, THROUGH DEC. 31, 1969

[In millions of dollars]

Fiscal year ending June 30	Title I		Title II, donations abroad		Title III, Bartered materials for supplemental stockpile	Total
	Sales for foreign currency	Long-term dollar and convertible foreign currency credit sales	Famine and other emergency relief	Voluntary agency programs		
1955	129.5		86.9	214.5		430.9
1956	642.2		93.6	271.2		989.0
1957	1,396.4		124.9	234.1	217.3	1,972.7
1958	1,144.7		121.4	254.3	83.9	1,604.3
1959	1,113.3		97.9	178.7	314.7	1,704.6
1960	1,308.0		95.5	130.8	192.4	1,726.7
1961	1,557.3		198.6	169.3	200.5	2,125.7
1962	1,606.1	29.0	241.9	191.7	193.3	2,262.0
1963	1,739.4	80.3	215.6	238.8	99.7	2,373.8
1964	1,636.2	61.5	228.2	341.6	37.7	2,308.8
1965	1,505.8	211.0	147.2	174.6	40.6	2,079.2
1966	1,287.8	274.6	222.5	148.3	25.8	1,959.0
1967	1,067.8	221.7	335.9	34.2	32.5	1,692.1
1968	784.8	350.0	344.6		25.9	1,505.3
1969	373.0	495.4	363.0		1.7	1,233.1
1970 (through Dec. 31, 1969)	125.5	215.6	124.7			465.8
Total	[1] 17,399.8	[2] 1,942.7	[3] 3,042.4	[4] 2,582.1	[5] 1,466.0	26,433.0

[1] Represents the gross cost to CCC of financing sales of U.S. agricultural commodities for foreign currency. Includes commodity and other costs, ocean transportation costs, and interest costs.

[2] Represents the gross cost ot CCC of financing long-term dollar credit sales for U.S. agricultural commodities. Includes commodity and other costs, ocean transportation costs, and interest costs. The export value of commodities financed and ocean transportation costs (except ocean freight differential) are repayable by the importing country or private trade entity.

[3] Represents CCC's investment value in commodities made available for donation abroad under title II of Public Law 480, ocean transportation costs for such donations and for commodities donated through voluntary relief agencies, interest costs, and purchases of foreign currency for use in self-help activities. Also includes gross cost of foreign donations through nonprofit voluntary agencies beginning Jan. 1, 1967.

[4] Represents CCC's acquisition cost value, plus the cost of any processing and packaging performed after acquisition for commodities donated through nonprofit voluntary agencies under authority in sec. 416, Agricultural Act of 1949. This authority was repealed by the Food for Peace Act of 1966, Public Law 89-808, and such donations consolidated into new title II of such act, effective Jan. 1, 1967.

[5] Represents the value at which barter materials were transferred to the supplemental stockpile.

Section 702. Alcoholic beverage—market development: This section would enable representatives of the alcoholic beverage industry to participate in market development activities funded with foreign currencies made available under section 104.

Section 703. Foreign currency sales: Section 104(b)(2) now requires that foreign currency sale and loan agreements provide for use of the proceeds thereof in an amount not less than 2 percent for educational and cultural exchange. This section increases the amount to 5 percent.

The section also changes the first proviso which appears at the end of section 104 to provide that the appropriation requirement shall no longer apply to currencies used for the purposes of section 104(b)(2); namely, for international education and cultural purposes.

TITLE VIII—GENERAL AND MISCELLANEOUS

Section 801. Cropland conversion program amendments: This section amends section 16(e) of the Soil Conservation and Domestic Allotment Act (which authorizes contracts with producers for periods of not to exceed 10 years for converting cropland to soil conserving practices and other approved uses) to—

(1) Add as a purpose of the program assisting farmers to retire from farming while continuing to live on their farms;

(2) Provide that the authority to enter into new agreements shall begin January 1, 1971, and terminate December 31, 1974 and that such agreements shall be for 3-, 5- and 10-year periods instead of for a period not to exceed 10 years;

(3) Repeal the provision limiting annual payments for the establishment of tree cover under any agreement to 5 years;

(4) Prohibit grazing on acreage covered by agreements entered into after July 1, 1970;

(5) Authorize payments for devotion of the converted acreage to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary of Agriculture in consultation with the Secretary of the Interior. The committee has changed provisions of the House bill to make clear that responsibility for administering the wildlife phases of the program will not be diffused. The responsibility is fixed with the Secretary of Agriculture. The advice and counsel of the Secretary of the Interior would be obtained through consultation as was done under previous similar programs;

(6) Require producers to permit public access to the farm for hunting, trapping, fishing, hiking, or other recreational use without other compensation;

(7) Provide for an advisory board (whose members could be paid compensation, per diem, and traveling expenses) and for State cooperation in developing guidelines for carrying out the program described in (5) and (6);

(8) Include a provision (which was added to the cropland adjustment program by Public Law 90–210) to permit placement in the program of a farm acquired to replace an eligible farm from which the producer was displaced because of its acquisition by an agency having the right of eminent domain;

(9) Authorize mutual termination if the Secretary determines such termination would be in the public interest;

(10) Authorize use of an advertising and bid procedure to determine lands to be covered by cropland conversion agreements;

(11) Limit the total acreage placed under agreements in any county or locality so as not to adversely affect the local economy;

(12) Authorize payments to Federal, State, or local government agencies for the acquisition of productive agricultural land for the preservation of open spaces and similar specified purposes and cost sharing with such agencies to establish practices or uses for such purposes. No appropriation is to be made for any agreement under this provision involving an estimated Federal payment in excess of $250,000 unless the agreement has been approved by the Senate and House Committees on Agriculture;

(13) Change the limit on agreements in any year under section 16(e) from a maximum of $10 million to a maximum coverage of 6 million acres plus the acreage by which agreements in 1971 or 1972 covered less than such amount. This amendment would increase the program to a meaningful size and permit a program to be operative in all States and counties. A program limited to $10 million (excluding Greenspan) would necessitate offering the program in a limited number of States and counties. A long-term land use adjustment pro-

gram will complement and supplement the annual commodity programs and will be less costly per unit of adjustment than the annual programs. It would provide a means to permit elderly and disabled farm people to modify their farm operation and continue to live on the farm;

(14) Permit until June 30, 1972, the authority to incur obligations prior to appropriations, thereby preventing a delay in announcing and operating the program; and

(15) Require the Secretary to provide safeguards to protect farming opportunities as well as the interests of tenants and sharecroppers.

STATISTICAL INFORMATION

In past years several programs have been used in adjusting the production of crops which are in excess of our needs. The following table shows the extent of such adjustments.

CROPLAND DIVERSION: ACREAGE DIVERTED UNDER SPECIFIED PROGRAMS, UNITED STATES, 1956-70

[Million acres]

Year	Program							
	Acreage reserve	Conservation reserve	Feed grains	Wheat	Cotton	Croplanq conversion	Cropland adjustment	Total [1]
1956	12.2	1.4						13.6
1957	21.4	6.4						27.8
1958	17.2	9.9						27.1
1959		22.5						22.5
1960		28.7						28.7
1961		28.5	25.2					53.7
1962		25.8	28.2	10.7				64.7
1963		24.3	24.5	7.2		0.1		56.1
1964		17.4	32.4	5.1	[2] 0.5	.1		55.5
1965		14.0	34.8	7.2	[2] 1.0	.4		57.4
1966		13.3	34.7	8.3	4.6	.4	2.0	63.3
1967		11.0	20.3		4.9	.6	4.0	40.8
1968		9.2	32.4		3.3	.5	3.9	49.3
1969		3.3	39.1	11.1		.5	3.9	57.9
1970 [3]		.1	39.2	16.2		(4)	3.9	59.4

[1] Total diverted including acreage devoted to substitute crops.
[2] Not required to be put to conserving uses.
[3] Preliminary. Intended diversion from enrolled acreage used for feed grain and wheat programs.
[4] Less than 50,000 acres.

Section 802. Marketing quota exemption for boiled peanuts: This section continues indefinitely the marketing quota exemption for peanuts marketed for consumption as boiled peanuts.

Section 803. Surrender of allotments: This section authorizes the reduction or cancellation of an allotment or base when the owner states in writing he has no further use therefor. This would be permanent law.

Section 804. Authority to plant and harvest forage under acreage diversion or set-aside program: This section permits a producer participating in the wheat, feed grain or cotton acreage diversion or set-aside program to plant and harvest forage from an acreage equal to the greater of 25 percent of the diverted acreage or 25 acres. The forage harvested from such acreage must be stored in sealed storage in accordance with conditions prescribed by the Secretary and remain available for use during periods of emergency declared by the Secretary. The forage so stored may be sold under conditions prescribed by the Secretary to avoid deterioration provided it is replaced by an equiva-

lent quantity. The Secretary may make or guarantee loans at current rates for periods not exceeding 10 years to assist farmers in construction of storage facilities if loans are not available from commercial sources on reasonable terms.

Section 805. Farmer adjustment program: This section provides authority for a program to assist low-income cotton, wheat and feed grain farmers in making adjustments to nonagricultural pursuits. During the period 1970 through 1973 the Secretary may enter into agreements to provide adjustment assistance of not more than $2,500 for a maximum period of a year to farmers whose gross annual sales from farm products did not exceed $5,000 and whose off-farm annual income did not exceed $2,000 during the preceding 3-year period. The agreements may provide for the farmers to surrender for permanent cancellation their acreage allotments and base acreages in return for an appropriate cash consideration.

TITLE IX—RURAL DEVELOPMENT

Section 901. Findings: This section contains the commitment by the Congress to a sound balance between rural and urban America.

Section 902. Location of Federal facilities: To minimize further impaction on overcrowded metropolitan areas, the executive agencies are directed by this section to provide procedures to locate new facilities in areas of lower population density. It requires the President to submit annual reports showing the efforts made in carrying out this provision.

Sections 903, 904, 905 and 906. Reports on assistance to rural America: These sections require the following annual reports:

(*a*) Jointly by the Secretary of Housing and Urban Development and the Secretary of Agriculture on the operation of the program to provide assistance to States planning for the development of rural multicounty areas (not included in economically depressed areas) as authorized by the Housing and Urban Development Act of 1968,

(*b*) By the Secretary of Agriculture reflecting efforts to provide information and technical assistance to small communities including assistance provided under other Federal programs and through land-grant colleges and the Extension Service,

(*c*) By the President stating the availability of telephone, water and sewer, medical and educational services and other Government services to rural areas and the efforts made to improve such services, and

(*d*) By the President on the possible utilization of the Farm Credit Administration and the Department of Agriculture to provide special financial assistance to revitalize rural America. This report must be submitted by July 1, 1971, together with any recommendations for needed legislation.

COMPARISON OF THE PROVISIONS OF THE COMMITTEE AMENDMENT WITH EXISTING LAW AND THE HOUSE BILL

Much of today's farm program is subject to provisions of the Food and Agriculture Act of 1965 which expire with the 1970 crop calendar year, or marketing year. Upon their expiration, if there were no new legislation, various provisions of the Agricultural Adjustment Act of

1938, the Agricultural Act of 1949, and other laws which have been temporarily suspended would again come into effect. The following charts compare what would happen if there were no new legislation with (1) the 1965 act provisions which are currently in effect, (2) the provisions of H.R. 18546 as it passed the House, and (3) the committee amendment to H.R. 18546.

FARM PROGRAM PROPOSALS—COMPARISON OF PROGRAM PROVISIONS

MILK MARKETING ORDERS—DAIRY BASE PLANS, ETC.

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current legislation)	H.R. 18546 (approved by House, Aug. 5)	H.R. 18546 (as reported by Senate committee Aug. 28)
Class I base forming period.	No authority for class I base plans would exist. Act as effective prior to Food and Agriculture Act of 1965 would remain effective as permanent legislation.	A representative period of time which need not be limited to 1 year (fixed).	A base period of 1 to 3 years which will be automatically updated each year.	Same as House.
Transfer of class I bases	do	May be transferable on such terms and conditions as may be prescribed, if the Secretary determines that transferability will be in the best interest of the public, existing producers, and prospective new producers.	May be transferable on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as prescribed by the Secretary.	Do.
Entry of new producers—hardship and inequity.	do	Any increase in class I base resulting from increased sales and any class I base forfeited or surrendered shall first be made available to new producers and alleviation of harsdhip and inequity among producers.	(a) Producers delivering to pool plants newly associated with the market receive allocations the same as established producers on the market based on base period deliveries. (b) New producers delivering to other markets during the base period from the same production facilities use such histories in establishing bases except that they will receive the lowest class price for 90 days after entry into the market. (c) New producers not producing milk during the representative period who become order producers after the effective date of the plan would receive allocated bases within 90 days after becoming producers under the order, such bases to be fixed with due consideration for supply-demand conditions, orderly marketing, and interests of producers and the public. Such bases shall be reduced by not more than 20 percent for a period not to exceed 3 years. (d) Former producers who had discontinued dairy farm enterprise or transferred bases as authorized by the order could obtain bases under conditions which the Secretary deems appropriate. (e) Orders would contain appropriate provisions for the alleviation of hardship and inequity among producers.	Do.

Reduction of producer allocation for deliveries to plants not fully regulated by order.	----do----	Provision may be made for reducing the allocation of, or payments to producer for deliveries to plants not fully regulated by the order for such period or periods to insure equitable participation in marketings among all producers.	Same as Food and Agriculture Act of 1965	Do.
Effect of reduction of marketings on base.	----do----	Such reduction shall not adversely affect his history of production and marketing for determination of future base.	Same as Food and Agriculture Act of 1965 except if marketings below base, such reduction shall be taken into account in determination of future bases or adjustments.	Do.
Assignment of other source milk to various use classes.	----do----	Not dealt with	Shall be made without regard to whether an order contains class I base plan provisions.	Do.
Authority for base excess plan.	Same as House except for language concerning duration of base period.	Provided in conjunction with class I base plan authority.	Authority separately stated in terms of act prior to 1965, but makes it clear that base period need not be limited to 1 year.	Do.
Authority for Louisville plan.	Part of general pricing authority.	Part of general pricing authority	Authority reaffirmed and made specific	Do.
Voting procedure	Bloc voting permitted on all orders and amended orders.	Individual voting on class I and other base plans	Individual voting on class I base plans and bloc voting permitted on other seasonal base plans and Louisville plans.	Do.
Treatment of producer handlers.	Same as prior to Food and Agriculture Act of 1965.	Legal status of producer-handler remains the same in orders adopting class I base plans.	Same as Food and Agriculture Act of 1965	Same policy with respect to exemption of producer-handlers from the provisions of marketing orders authorized under sec. 8c(5) as under existing act.
Order for manufacturing milk.	Same as House	Previous authority made specific and pricing standard for milk for manufacturing authorized on production area basis.	Not included, but general authority for manufacturing milk orders remains subject to pricing standard of act prior to 1965.	Same as House.
Expiration date	Permanent	Dec. 31, 1970	Dec. 31, 1973	Permanent.

FARM PROGRAM PROPOSALS—COMPARISON OF PROGRAM PROVISIONS—Continued

MILK AND DAIRY PRODUCTS

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current legislation)	H.R. 18546 (approved by House Aug. 5)	H.R. 18546 (as reported by Senate committee Aug. 28)
(1)	(2)	(3)	(4)	(5)
Support price	75 to 90 percent of parity for milk and butterfat and their products.	Not covered so same as no new legislation	75 to 90 parity for milk (suspends from Apr. 1971 to March 1974 mandatory requirement for support on butterfat and products of milk and butterfat). Also suspends for such period authority for loans; support must be through purchases of milk and milk products.	Same as House-approved bill.
Donations to military and VA	None	Authorizes CCC to donate dairy products to the Administrator of Veterans Affairs and to military for utilization after they have made their usual purchase of dairy products in the normal channels of trade. Authority granted in 1954 expires Dec. 31, 1970.	Authority extended to Dec. 31, 1973	Do.
Dairy indemnity	do	Not covered, authority under separate bill expired June 30, 1970.	Extends to June 30, 1973, authority to make indemnity payments to dairy farmers who removed from market milk containing chemicals approved by Government.	Same as House-approved bill except extends act to manufacturers of dairy products.
WOOL AND MOHAIR				
Price support	Discretionary with Secretary through loans and purchases at not more than 90 percent of parity.	Support price fixed by formula. Payments are made compensating producers for the difference between support price and actual price, on a U.S. average basis.	Support price of shorn wool changed to 72 cents per pound on grease basis and of mohair to 80.2 cents per pound.	Same as House-approved bill.
Termination date	None	Dec. 31, 1970	Dec.31, 1973	Dec. 31, 1973.
WHEAT				
National allotment	Size of allotment equal to acreage needed to produce national marketing quota based on estimated domestic and export requirements with provision for adjusting to increase or decrease carryover, but not less than 1,000,000,000 bushel.	Same as "no new legislation"	Changes to a domestic allotment. The number of acres, on the basis of expected national yield, which will produce on domestic allotments of participating farms an amount of wheat equal to estimated domestic food use.	Subtitle A—Same as 1965 act. Subtitle B—Same as House approved bill.

Farm allotments	Based on allotment for preceding year.	Same as "no new legislation"	National domestic allotment is apportioned to States, to counties, and then to farms.	Subtitle A—Same as no new legislation. Subtitle B—Same as House approved bill.
Loan level	Quotas approved: Set at level deemed appropriate, considering world market price of wheat, feed value in relationship of wheat to feed grains and price support level established for feed grains, but not in excess of 90 percent of parity. Quotas disapproved: 50 percent of parity to farmers complying with allotments.	Set at level deemed appropriate considering world market price of wheat, feed value in relationship of wheat to feed grains and price support level established for feed grains, but not in excess of 100 percent of parity.	Same as 1965 act	Subtitle A and subtitle B: Same as 1965 act except loan shall not be less than $1.25 per bushel.
Domestic certificate	Quotas approved: Bushel amounts of domestic certificates equal to estimated domestic food use issued to cooperators but not to exceed acreage of planted wheat multiplied by farm yields plus excess wheat released from storage. Quotas disapproved: None.	Bushel amount of domestic certificates equal to estimated domestic food use issued to cooperators but not to exceed acreage of wheat planted multiplied by farm yeilds, plus excess wheat released from storage.	Bushels equal to farm domestic allotment multiplied by projected yield with adjustments to provide fair and equitable yield.	Subtitle A—Same as 1965 act. Subtitle B—Same as House approved bill.
Domestic certificate value	Quotas approved: Difference between domestic support rate and national average loan rate. Domestic support rate (for wheat accompanied by domestic certificate) between 65-90 percent of parity. Quotas disapproved: none.	Difference between 100 percent of parity and national average loan rate.	Difference between 100 percent of parity and the nationa average market price received by farmers during the 1st 5 months of the marketing year.	Subtitle A: Same as 1965 Act. Subtitle B: Same as House approved bill.
Export certificate	Quotas approved: Variable export certificates. If domestic market price is below world price, certificate equal to difference collected from exporters. If U.S. price above world price, subsidy paid. If total of certificates collected exceeds subsidies paid, balance distributed pro rata to cooperators. Quotas disapproved: none.	Variable export certificates. If domestic market price is below world price, certificate equal to difference collected from exporters. If U.S. price above world price, subsidy paid. If total of certificates collected exceeds subsidies paid, balance distributed pro rata to cooperators.	Optional variable export marketing certificate provision may be suspended until June 30, 1974. During period of suspension, the Secretary shall refund to processors or exporters the cost of marketing certificates on all flour exported. No export certificates issued to producers.	Subtitle A: Same as 1965 act. Subtitle B: Same as House approved bill.

See footnotes at end of table p. 63.

FARM PROGRAM PROPOSALS—COMPARISON OF PROGRAM PROVISIONS—Continued

WHEAT—Continued

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current legislation)	H.R. 18546 (approved by House August 5)	H.R. 18546 (as reported by Senate committee August 28) [1]
(1)	(2)	(3)	(4)	(5)
Processor certificate	Quotas approved: Processors of wheat for domestic food use required to buy certificates for each bushel so processed. Quotas disapproved: None.	Processors of wheat for domestic food use required to buy certificates for each bushel so processed.	Same as 1965 act	Subtitles A and B: Same as 1965 act.
Processor certificate cost	Quotas approved: Same as producer certificate value. Quotas disapproved: None.	Difference between $2 and national average loan rate.	$0.75 per bushel	Subtitle A: Same as 1965 act. Subtitle B: $0.75 per bushel.
Required diversion or set-aside	Quotas approved: Amount by which announced farm allotment is less than one based on 59,300,000-acre national allotment. Quotas disapproved: None.	Amount by which announced farm allotment is less than one based on 59,300,000-acre national allotment.	Acreage set-aside from total crop production equal to percentage of the domestic allotment prescribed by Secretary, plus normal conserving acreage.	Subtitle A—Same as 1965 act. Subtitle B—Acreage set-aside from total crop production equal to percentage (not to exceed 75 percent) of domestic allotment prescribed by Secretary plus normal conserving acreage.
Maximum additional diversion	None	The larger of 50 percent of the allotment or 25 acres less the required diversion.	Diverted from total crop acreage to extent specified by Secretary but must not adversely affect economy of local community.	Subtitle A—Same as 1965 act. Subtitle B—Same as House-approved bill.
Diversion payment rate	None	Up to 50 percent of county loan rate times normal production of acreage diverted.	For additional diversion only, at rate determined by Secretary to be fair and reasonable.	Subtitle A—Same as 1965 act. Subtitle B—Same as House-approved bill.
Farm yields for payment purposes	Quotas approved: Project yield based on farm yield for preceding 3 years, with adjustments, but not less than normal yield for farm. Quotas disapproved: None.	Projected yield based on farm yield for preceding 3 years but not less than normal yield for farm.	Projected yield established for the farm with such adjustments determined by Secretary to provide equitable yield	Subtitle A—Same as 1965 act. Subtitle B Same as House-approved bill.
Advance payments	None	Optional with Secretary on not to exceed 50 percent of diversion payment.	Preliminary payments to be made as soon as practicable after July 1 of the year crop is harvested equal to 75 percent of Secretary's estimate of payment. Such payment shall not be reduced if payment finally determined to be less.	Subtitle A—On 1971 crop within 60 days following signup—not less than 50 percent of estimated value of certificates and diversion payments. Subtitle B—Within 60 days following signup—75 percent of estimated value of certificates and 5 percent of diversion payments.
Permitted acres	Wheat allotment except with quotas in effect, excess wheat option may be used.	Wheat allotment less additional diversion except under substitution it is wheat allotment plus feed grain base less additional wheat diversion, total feed grain diversion and feed grain planted acres.	Cropland on farm less conserving base, required set-aside and any additional diversion. (For 1971 and 1972, Secretary may also limit acreage planted to wheat, to provide orderly transition.)	Subtitle A: Same as 1965 act. Subtitle B: Same as House-approved bill except Secretary could limit acreage planted to wheat in 1972 and 1973.
Substitution	None	If producer participates in both wheat and feed grain programs, wheat may be produced on feed grain acres or feed grains on wheat acres.	Nature of program allows freedom of choice of crops to be produced within permitted acres. Acreage planted to feed grains or soybeans may be substituted for wheat to avoid reduction of domestic allotment in future years.	Subtitle A: Same as 1965 act. Subtitle B: Same as House-approved bill.

Excess wheat provision	Quotas approved: Producer may plant 150 percent of allotment and be eligible for certificates if excess is stored. Quotas disapproved: Not applicable.	Producer may plant 150 percent of allotment and be eligible for certificates if excess is stored.	Not applicable but excess wheat under prior programs may be released if production is less than domestic allotment times farm yield times 3.	Subtitle A: Same as 1965 act. Subtitle B: Same as House-approved bill.
CCC sales price for unrestricted use.	105 percent of loan rate plus carrying charges, except if carryover is less than 35 percent of utilization, it is 115 percent of loan, or if carryover is less than 25 percent of utilization, it is 120 percent of loan, plus carrying charges.	Same as no new legislation	Not less than 115 percent of national average loan rate adjusted for grade quality, location, and other value factors as Secretary determines appropriate, plus carrying charges.	Subtitle A: Same as no new legislation. Subtitle B: Same as House-approved bill.
Loss of allotment	Reduced for failure to plant 75 percent of allotment in 3 consecutive years. Allotment removed if no wheat in 5 consecutive years. Also, loss of wheat allotment for excess wheat production not satisfied by storage or by delivery to Secretary.	Same as "no new legislation," except no loss of wheat allotment for excess wheat production.	Failure to plant 90 percent of domestic allotment will result in percent reduction in allotment equal to percent of underplanting but not in excess of 20 percent in 1 year. If no wheat planted in 3 years, allotment removed, acreage not planted due to natural disaster of condition beyond producers control considered planted. Secretary may permit producers of wheat to have acreage devoted to soybeans or feed grains for which there is a set-aside program in effect to be considered as devoted to wheat, and no farm domestic allotment shall be reduced or lost through failure to plant if producer elects to receive no payment.	Subtitle A.—Same as 1965 act. Subtitle B.—Same as House-approved bill except that no allotment loss if underplanting due to natural disaster or quarantine.
Marketing quotas	Proclaimed when supply is excessive in absence of quotas. Quotas would be in effect if favored by ⅔ of farmers voting in referendum—then monetary penalties on excess wheat production and on crops in surplus supply harvested from required diverted acres. If not favored by ⅔, no quotas in effect.	None	None	Subtitle A and B.—None.
Termination date	None	Expires with 1970 crop	Provides program only for 1971, 1972, and 1973 crops.	Subtitles A and B.—covers 1971, 1972, and 1973 crops. If no new legislation prior to planting 1974 fall wheat, Secretary may carry out a program for 1974 crop on same basis as 1973 crop program.

[1] Subtitle A.—Program for 1971, and if approved in referendum, for 1972 and 1793 crops. Subtitle B.—Program for 1972 and 1973 crops if approved in referendum.

Note: Payment limitations, conserving base, use of diverted acres and public access are applicable to wheat, feed grain, and cotton programs and will appear on another table following cotton.

FEED GRAINS—PAYMENT LIMITATIONS, ETC, APPLICABLE TO WHEAT, FEED GRAINS APPEAR ON ANOTHER TABLE FOLLOWING COTTON

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current legislation)	H.R. 18546 (Approved by House Aug. 5)	H.R. 18546 (as reported by Senate committee Aug. 28)
(1)	(2)	(3)	(4)	(5)
Farm feed grain base	None	1959–60 average acreage on farm. (U.S. total: 133,100,000 acres).	Same as 1965 act	Same as 1965 act.
Feed grain crops in diversion program.	do	Corn, sorghums, and, if designated by the Secretary, barley. If requested by farmer, oat/rye and barley acreage may be included in the farm base, but only for the purpose of having wheat considered as feed grains.	Corn, sorghums, and, if designated by the Secretary, barley. Also provided are price-support levels for these grains as well as oats and rye.	Corn, sorghums, and barley (barley no longer would be permissive). Secretary may permit malting barley producers to obtain price-support loans (or purchase) without participating in the set-aside program.
Price support level	Corn—Loan at 50 to 90 percent of the parity price as Secretary determines will not increase CCC stocks of corn. Sorghum, barley, oats, and rye: at such level of the parity as Secretary determines fair and reasonable in relation to the support for corn, taking into consideration the feeding value in relation to corn plus other factors listed in sec. 401(b) of the Agricultural Act of 1949.	Corn—Loan and support payment at 65 to 90 percent of parity as Secretary determines necessary to achieve the acreage reduction goal. Sorghum, barley, oats, and rye: Same as "no new legislation."	Sec. 105(a), Agriculture Act of 1949, amended to provide loans and purchases for— Corn: Not in excess of 90 percent of parity, as Secretary determines will encourage exports and not result in excessive feed grain stocks. Sorghum: At level fair and reasonable in relation to corn, considering relative feeding value and average transportation costs to market. Barley, oats, and rye: At levels fair and reasonable in relation to corn, considering feeding value and other factors in sec. 401(b).	Same as House-approved bill except minimum corn loan is $1 per bushel.
Price support payments	None	Such portion of the support price for any feed grain included in the diversion program as Secretary determines desirable to assure benefits of the program inure primarily to participants. Such payments to be made available on such portion of the permitted acreage as Secretary determines desirable, but not to exceed acres planted.	Corn: Payment rate plus national average market price for the first 5 months of marketing year shall not be less than $1.35 per bushel on 50 percent of base. (In no case however, shall payment be less than 32 cents—see preliminary payment.) Sorghum and barley: Fair and reasonable in relation to the corn rate.	Same as House approved bill.
Required diversion or set-aside	None	Such percentage of the feed grain base as prescribed by the Secretary. If no diversion program in effect for any crops, he may require that producer not exceed feed grain base as condition of eligibility for price support.	Percentage prescribed by the Secretary. (For 1971 and 1972 Secretary may also limit acreage planted to feed grains to provide orderly transition.)	Same as House approved bill, except Secretary may also limit acreage planted to feed grains in 1973.
Maximum additional diversion	None	Not to exceed 50 percent of the base, or 25 acres whichever is larger.	Secretary may authorize additional diversion for payment; total acreage diverted shall be limited to avoid adverse effect on economy of county or community.	Same as House approved bill.

Payment rate for additional diversion.	None	Not to exceed 50 percent of the total county support price (loan plus support payment) times the farm yield.	At rate determined and reasonable, considering the diversion and productivity of acreage diverted.	Same as House approved bill.
Farm yield (for payment purposes).	None	Based on farm yield for preceding 3 years but not less than average of proven production for the same 3 years.	Based on yields established for the farm the preceding year, with necessary adjustments to provide equity.	Same as House approved bill.
Advance or preliminary payments.	None	Optional with Secretary on not to exceed 50 percent of any payments, prior to determination of performance.	Preliminary payment soon as possible after July 1—not to be reduced if final payment found to be less than preliminary payment. Corn payment of 32 cents per bushel with comparable rates for sorghum and barley.	Same as House approved bill, except preliminary payment must be made 60 days following signup.
Substitution between feed grains and wheat.	None	If producer participates in both feed grain and wheat programs, wheat may be produced on feed grain acres or feed grains on wheat acres.	No special provision. Program permits producer to plant freely within permitted acreage. Secretary may allow acreage planted to soybeans or wheat to be substituted for feed grains to avoid reduction of feed grain base for future years.	Same as House approved bill for feed grain producers.
CCC sales price for unrestricted use.	Not less than 105 percent of total support plus reasonable carrying charges.	Not less than 105 percent of total support plus carrying charges, except when voluntary adjustment program in effect and carryover less than 25 percent of utilization. In such case, the minimum is 115 percent of current loan, plus reasonable carrying charges.	Not less than 115 percent of national loan adjusted for current market differentials reflecting grade, quality, location and other value factors deemed appropriate, plus reasonable carrying charges.	Same as House approved bill.
Loss of feed-grain base	None	None	Failure to plant 90 percent of base eligible for price support payment will result in reduction of next year's base by amount of underplanting—but not to exceed 20 percent. No planting for 3 consecutive years will result in loss of entire base. Failure to plant due to disaster, or conditions beyond producer's control, or acreage planted to soybeans or wheat may be considered planted to feed grains.	Same as House-approved bill except that producer who refuses payment will not lose base.
Termination date	No expiration date	Terminates with 1970 crop	Provides program only for 1971, 1972, and 1973 crops.	Same as House bill.

UPLAND COTTON

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current legislation)	H.R. 18546 (Approved by House Aug. 5)	H.R. 18546 (as reported by Senate committee Aug. 28)
(1)	(2)	(3)	(4)	(5)
1. National marketing quota, referendum and penalties.	If for any marketing year the total supply exceeds normal supply, a national marketing quota must be proclaimed for next marketing year as an amount equal to the largest of (1) number of bales, together with the estimated carryover and estimated imports needed to provide a normal supply or (2) number of bales equal to estimated domestic consumption and estimated exports (less estimated imports) adjusted as required to provide adequate stocks and a continuous and stable supply of the different qualities, or (3) 10,000,000 bales, or (4) number of bales required to provide a national acreage allotment of 16,000,000 acres. Marketing quotas must be approved by ⅔ or more of cotton farmers voting in a national referendum. When in effect penalties apply to any farmer who exeeds his farm acreage allotment.	Same as "no new legislation."	Not applicable, but national cotton production goal would be established equal to estmated offtake plus 5 percent for market expansion (adjusted to maintain carryover at not less than 50 percent of average offtake for 3 preceding marketing years).	Marketing quotas and penalties applicable same as "no new legislation." National cotton production goal would be established as in House-approved bill.
2. National acreage allotment	Must be determined and proclaimed for any marketing year for which a national marketing quota is proclaimed and must be that acreage, based on the national average yield for the preceing 4 years, required to provide an amount of cotton equal to the national marketing quota.	do	Not applicable	National acreage allotment would be established at not less than 14,500,000 acres.

3. National domestic allotment and farm domestic acreage allotment, percentage—national base acreage allotment.	None	National domestic allotment established equal to the estimated domestic consumption. A farm domestic acreage allotment percentage is determined by dividing the national domestic allotment by the total product of the State acreage allotments and the projected State yields but such percentage cannot be less than 65 percent of the farm acreage allotment.	Provides for national base acreage allotment based, on estimated domestic consumption plus not to exceed 25 percent thereof, but 1971 allotment shall be 11,500,000 acres, and the 1972 and 1973 allotments in such amounts as the Secretary determines necessary to maintain adequate supplies.	Provides for a national base acreage allotment, based on estimated domesitc consumption plus not to exceed 25 percent thereof, but such allotment shall be not less than 14,500,000 acres less a percentage thereof equal to the set-aside percentage described in item 15.
4. Apportionment of acreage allotment and base acreage allotments (less reserve) to States and counties.	The national allotment is apportioned to States and the State allotment to counties on the basis of the acreage planted and regarded as planted to cotton in the State and county during the preceding 5 years (i.e., the 5 years immediately preceding calendar year in which quota is proclaimed).	Same as "no new legislation"	Base acreage allotment apportioned on basis of cotton acreage history (planted plus regarded as planted) within farm acreage allotment for 5 preceding years, but history acreages for 1971 and succeeding years would be based on acreage planted or regarded as planted within farm base allotments.	Same as in House approved bill.
			State committee may hold reserve of not to exceed 2 percent of State allotment.	Do.
5. Apportionment of county allotment (less reserve) to farms.	Apportioned to old cotton farms on the basis of the farm base (previous year's farm acreage allotment for farms planting or regarded as planting, or releasing 75 percent or more thereof). Minimum farm allotment guaranteed each year. Old cotton farm is a farm with history acreage in at least one of the 3 years preceding the year for which allotment is being established.	do	County base acreage allotment for 1971 apportioned to farms on basis of 1970 farm domestic acreage allotment. For 1972 and 1973 apportionment to farms made on basis of farm base acreage allotment for preceding year.	Do.
			County committee may hold reserve of not to exceed 10 percent of county base acreage allotment.	Do.
6. Increases in farm acreage allotments.	None	do	Not applicable	Each farm acreage allotment (computed without regard to items (a) and (b) below) bears the same relationship to its farm base acreage allotment (as finally effective after adjustment for release and reapportionment, transfers, and all other factors) as the national acreage allotment bears to the national base acreage allotment. If necessary to provide an adequate supply of cotton the Secretary may (a) increase each farm acreage allotment to permit the planting of cotton on all or any part of the acreage required to be set aside and (b) apportion additional acreage not exceeding 25 percent of the national acreage allotment to farm operators who apply.

UPLAND COTTON—Continued

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current legislation)	H.R. 18546 (Approved by House Aug. 5)	H.R. 18546 (as reported by Senate committee Aug. 28)
(1)	(2)	(3)		(5)
7. Reduction or loss of allotments and base allotments.	Allotment reduced if fail to plant or have regarded as planted or release 75 percent or more of prior year's farm acreage allotment. Release entire allotment 3 consecutive years and farm loses old farm status. Same result if 2 years release and no history earned for 3d consecutive year. Also lose old farm status if 5 consecutive years of zero history. If no planting and no regarded as planting occurs for 5 consecutive years after a year with full history protected, farm would then have 3 zero years.	Same as "no new legislation"	Failure to plant at least 90 percent of base allotment will cause reduction in next base allotment, not to exceed 20 percent. Base allotment lost if no cotton planted for 3 consecutive years. Allotment acreage not planted because of natural disaster or condition beyond control of producer will be regarded as planted. If permitted for wheat and feed grains, acreage of soybeans, wheat and feed grains may be considered as cotton for history purposes to extent Secretary determines such action will not impair effective operation of cotton or soybean program.	Same as House approved bill except that allotment acreage not planted because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government will be regarded as planted. Same as in House approved bill.
8. Release and reapportionment of farm acreage allotments and farm base allotments.	Those not being used may be released to the county committee for reapportionment to other old cotton farms. Any acreage not utilized in the county may be surrendered to the State committee for use in other counties.	do	Authorized for base allotment as in current law except allotment can be released year after year without reduction for nonplanting.	Do.
9. Transfer of allotments because of natural disaster.	Permitted	Permitted	Authorized as in current law except broadened to allow transfers of acreage not planted due to condition beyond the control of the producer.	Same as House approved bill.
10. Sale, lease or owner transfer of farm acreage allotments.	Temporary transfers by lease and by owner approved for 1966, 1967, 1968, 1969, or 1970 for a specified term beyond 1970 would remain effective. Otherwise, none.	A farmer may sell or lease his allotment to another farmer in the same county, provided the total allotment on the receiving farm after the transfer does not exceed the 1965 allotment by more than 100 acres. In counties where growers have voted approval, allotments may be transferred to other counties within the State. An owner may transfer his allotment to another farm which he owns or operates	Same provisions as in 1965 Act applicable to base allotments except: 1. Referendum for out-of-county transfers eliminated. However, out-of-county transfers would be subject to a finding by county committee that no demand for allotment exists in county. 2. June 1–December 31 transfer period eliminated.	Same provisions as in 1965 act except: 1. Referendum for out-of-county transfers eliminated. 2. Person acquiring allotment must be dependent on cotton farming for his livelihood and must assure full farm base acreage allotment will be used. 3. Same as item 4 under House approved bill.

		within the State. Requests or transfers can be filed only during the period June 1 through December 31.	3. 100-acre limit on allotment acquired by any one farm eliminated. 4. Any prior year temporary transfers approved beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment and no lease agreements entered into after Mar. 15, 1970, shall be approved for 1974 and sugsequent crops. 5. Restriction deleted against sale of allotment to a farm which purchased a cotton allotment in last 3 years.	
11. Exchange of cotton and rice farm acreage allotments.	None	Authorized between farms in same or adjoining counties within a State.	None	None.
12. Export market acreage reserve.	None	Depending on the estimated reduction in carryover, up to 250,000 acres may be established. It is allocated on the basis of farm applications. Farmers receiving export acreage forego all price support and all cotton produced on the farm must be exported.	None	None
13. Loan level	If marketing quotas are proclaimed and approved, price support at 65 to 90 percent of parity to producers who comply with their allotments. If marketing quotas are disapproved, price support at 50 percent of parity to producers who comply with their allotments. If marketing quotas are not proclaimed, price support at 65 to 90 percent of parity (compliance with allotments could be required).	90 percent of the estimated average world market price for Middling 1-inch upland cotton. Available to cooperators on total production from permitted acres.	At level which will reflect for Middling 1-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States, 90 percent of the estimated average world price for such cotton. Available to cooperators (producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required). Loans would mature on date set by the Secretary (for past 15 years all loans have matured at end of marketing year, July 31.)	At level which will reflect for Middling 1-inch upland cotton at average location in the United States, 90 percent of average world price for such cotton in the 2 preceding marketing years, except that Secretary could make adjustments where prices in base period have been excessively high. Secretary shall publish regulations on procedures and factors for determining average world prices. Same as House-approved bill except that producers on farm that receives additional allotment shall be entitled to loans only on amount of cotton determined by multiplying the farm payment yield by the farm acreage allotment before such increase. Term of loan would be 1 year from the first day of the month in which the loan is made.

UPLAND COTTON—Continued

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current ,egislation)	H.R. 18546 (Approved by House Aug. 5)	H.R. 18546 (as reported by Senate committee Aug. 28)
(1)	(2)	(3)	(4)	(5)
4. Price support or set-aside payments.	None	The payment, when added to the national average loan rate, must result in total price support of 65 to 90 percent of parity. Payment made on a quantity of cotton obtained by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment.	The rate, plus the average market price in the designated spot markets (1st 5 months) for Middling 1-inch, 3.5 to 4.9 micronaire, cotton must equal 35 cents per pound except that the payment rate may not be less than 15 cents per pound. A special provision would require adjustment of the payment rate applicable to the 1972 and 1973 crops so as to result in paying out the same aggregate of dollars under the programs for these years as it is expected would be paid under the 1971 program. Preliminary payment of 15 cents would be made as soon as practicable after July 1 and balance, if any, after 5-month market price established.	The rate, plus the loan level for Middling 1-inch cotton at average location, must equal the greater of 35 cents or 65 percent of the parity price as of the beginning of the marketing year. Payment rate may not be less than 15 cents per pound and preliminary payment at this rate must be made as soon as practicable after July 1 each year.
			Payment would be made on acreage planted within the farm base allotment, except that if 90 percent or more of the allotment is planted, the entire allotment would be considered as planted for payment purposes.	Payment would be made on acreage, planted within the farm base allotment, except that if 90 percent or more of the allotment is planted, the entire allotment would be considered as planted for payment purposes.
			Acreage not planted because of drought, flood, other natural disaster, or a condition beyond the control of the producer is considered as acreage planted to cotton.	Acreage not planted because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government is considered as acreage planted to cotton.
15. Required diversion or set-aside.	None	Not more than 12.5 percent of farm allotment except small farms shall not be required to make any diversion.	Cropland to be set aside not to exceed 33⅓ percent of farm base acreage allotment. Cotton or other commodities may be planted on set-aside acreage to extent prescribed by the Secretary.	Same as House bill except cannot exceed 12.5 percent of farm acreage allotment.
			If payments to a person are restricted by the payment limitation, the set-aside acreage for any farm on which such person shares in the payments shall be reduced to the extent and in the manner as the Secretary determines would be fair and reasonble in relation to the amount of the payment reduction.	Same as House approved bill.

16. Maximum additional diversion	do	Total diversion (required plus additional) cannot exceed 35 percent of farm allotment.	None authorized for payment	To extent permitted by Secretary but total acreage diverted must not adversely affect economy of local community.
17. Diversion payment rate	do	Required diversion—not less than 25 percent of parity. Additional diversion—not more than 40 percent of parity. Payment determined by multiplying acreage diverted by the projected farm yield.	None	Payment can be made for diversion, in addition to the required set-aside, at a fair and reasonable rate.
18. Small farm payment provision	None	Farms with an allotment of 10 acres or less, or a total projected production of 3,600 pounds or less, who do not exceed their farm acreage allotment may earn a payment at the rate for required diversion on a quantity of cotton determined by multiplying the projected farm yield times an acreage equal to 35 percent of the farm allotment.	None	The payment rate for any producer who in preceding 3 years had (a) average gross sales of farm products not more than $5,000 and (b) average annual off-farm earned income of not more than $2,000 (both husband and wife) and who is on a small farm (farm acreage allotment is 10 acres or less or farm payment yield times farm acreage allotment is 3,600 pounds or less and no farm base acreage allotment is released from the farm), shall be increased by 30 percent.
19. Farm yields for payment purposes	None	Projected yield based on farm yield for preceding 3 years, adjusted for abnormal weather, trends, and production practices, but not less than average of proven production for such period.	The average yield of the acreage planted to upland cotton during the 3 preceding years, adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster.	Same as House approved bill except: (1) Yields are based on actual yields per harvested acres. (2) 1970 projected yield would be substituted in lieu of actual yields for 1968 and 1969. (3) Payment yields will not be reduced from the preceding year if total production in the preceding year was at least equal to the preceding year's payment yield times farm base acreage allotment (domestic allotment for 1970).
20. Assignment of payments	Authorized	Authorized	Authorized	Authorized.
21. CCC sales policy	Sales for unrestricted use shall be at not less than 105 percent of the current loan rate plus reasonable carrying charges. An exception provides for sale at the market price, in an orderly manner and so as not to affect market prices unduly, a quantity equal to the number of bales by which the national marketing quota is reduced below estimated offtake for the marketing year. Sales for export are not restricted as to price and section 203 (Agriculture Act of 1956) would continue to apply.	Sales for unrestricted use shall be at the same price as sales for export, but not less than 110 percent of loan rate. Shortfall cotton (amount by which production is less than estimated offtake) is sold or made available for unrestricted use at current market prices, in an orderly manner and so as not to affect market prices unduly. Section 203 of the Agriculture Act of 1956 directs CCC to encourage the export of cotton by making it available at prices not in excess of those which cotton of comparable qualities are being offered in substantial quantities by other exporting countries.	Sales for unrestricted use at not less than 110 percent of loan rate for Middling 1-inch upland cotton, micronaire 3.5 to 4.9, adjusted for current market difference reflecting grade, quality, location, and other value factors as Secretary determines appropriate plus reasonable carrying charges. Shortfall sales provided for.	Same as House-approved bill, except the 110 percent of loan rate applies to each quality available for sale and the schedule of premiums and discounts for loans would be used instead of market differences. 3.5 to 4.9 micronaire feature deleted from base price. Language is specific on establishing carrying charges and would reflect commercial rates except CCC loan interest rate would apply.

UPLAND COTTON—Continued

Item	No new legislation	Food and Agriculture Act of 1965, as amended (current legislation)	H.R. 18546 (Approved by House Aug. 5)	H.R. 18546 (as reported by Senate committee Aug. 28)
(1)	(2)	(3)	(4)	(5)
22. Market development and research.	The act of Apr. 11, 1964 (Public Law 88–297) would continue in effect. This act authorizes and directs the Secretary to conduct a special cotton research program aimed at reducing the cost of producing upland cotton. The act authorizes not to exceed $10,000,000 annually to be appropriated for this purpose.	Act of Apr. 11, 1964, Public Law 88–297, would continue to apply.	Not provided for	Secretary authorized to deduct not to exceed $10,000,000 annually from funds available for payments and not made because of payment limitation.
23. Termination date	None	Terminates with 1970 crop	Provides program for 1971, 1972, and 1973 crops.	Same as House approved bill.
PROVISIONS COMMON TO WHEAT, FEED GRAINS, AND UPLAND COTTON				
Payment limitations	None	None	Maximum per person under each (wheat, feed grain, cotton) program $55,000; payments include price support, diversion, public access payments and marketing certificates, but not loans or purchases. Set-aside percentage may be reduced by Secretary for farms affected. Limitation not applicable to lands farmed by States, etc. "in direct furtherance of a public function."	Same as House-approved bill.
Conserving base	None, except when wheat quotas are approved, then same as 1965 act.	In addition to regular diversion, must maintain average 1959–60 acreage of conserving crops (for feed grains) or acreage devoted to conserving crops in base period prescribed by Secretary.	Participants set-aside acreage as specified by the Secretary plus the cropland on the farm devoted previously to soil-conserving uses as determined by the Secretary.	Same as House approved bill (except same as 1965 act for wheat for 1971 and, if producers disapprove subtitle B, for 1972 and 1973).
Use of diverted or set-aside acres.	Not applicable except when wheat quotas are approved, then cannot be used for crop production except for crops designated by the Secretary as not surplus supply.	Must be devoted to conserving use, however, such acreage may be permitted to be planted to guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovata and flaxseed if it is determined such crops are not in surplus supply and will not be in surplus supply if permitted to be grown—subject to the condition that diversion payment	For wheat and feed grains, Secretary must permit producers to plant and graze sweet sorghum and to plant and harvest named commodities, and any other commodity which he finds is not in surplus supply, subject to terms and conditions as he may prescribe. No reduction is to be made in payment on set-aside acreage. For cotton, Secretary may permit	For wheat and feed grains, Secretary must permit producers to plant and graze sweet sorghum and may permit (subject to prescribed conditions) grazing or the production of commodities if he determines that such productions is needed to provide adequate supply, will not increase program costs or affect adversely farm income. Same as 1965 act for wheat for 1971 and

		with respect to diverted acreage cannot exceed 50 percent of the diversion rate.	cotton or other commodities to be planted to such extent and subject to such conditions as specified by him.	if producers disapprove subtitle B, for 1972 and 1973. For cotton, Secretary may permit cotton or other commodities to be planted to such extent and subject to conditions as specified by him.
Public access	None	None	Secretary may provide an additional payment on diverted acreage if producer permits, without other compensation, access for hunting, trapping, fishing, and hiking.	Same as House-approved bill (except same as 1965 act for wheat for 1971 and if producers disapprove subtitle B, for 1972 and 1973).
LONG-TERM ADJUSTMENT PROGRAMS				
Cropland adjustment program	None	Provides for long-term production adjustment agreements of 5 to 10 years, with a $225,000,000 limitation on annual size of program. Terminates Dec. 31, 1970.	None	None.
Cropland conversion program	Permanent authority which provides up to 10-year agreements with producers to convert designated cropland to other income-producing uses—such as grazing, recreation, wildlife, and other conservation uses; authorizes program of $10,000,000 per year.	Permanent authority not affected	Same as "no new legislation" except adds as a purpose assisting farmers who desire to retire from farming but wish to continue living on farm, restricts programs to agreements signed in 1971, 1972, and 1973, repeals provisions limiting payment for tree cover to 5 years, prohibits grazing, may use advertising and bid procedure for agreements, may terminate agreements if in public interest (see additional items below).	Same as House bill, except agreements must be for 3, 5, or 10 years. Acreage under program must not adversely affect local economy, annual agreements limited to 6,000,000 acres instead of $10,000,000, may, until June 30, 1972, incur obligations prior to appropriation.
Permanent production adjustment on farmland (purchase of cropping rights).	None	None	None	None.
Acquisitions by local agencies (greenspan).	None	Part of CAP authority. Provides grants to Federal, State, and local government agencies to assist in acquiring cropland for open spaces, natural beauty, wildlife or recreation facilities, and prevention of air and water pollution.	Same as in 1965 act except limited to areas of not more than 5,500 population, cost-sharing authorized, agreements with payments of more than $250,000 must be approved by Senate and House committees.	Same as House approved bill except authorized for use in acquiring productive agricultural land. References to cropland, population limitation deleted.
Public access	do	Part of CAP authority. Permits payments to producers who permit free access to the public for hunting, trapping, fishing, and hiking.	Same as 1965 act	Agreements must require free public access, without special compensation.
Special wildlife food and habitat provisions.	No specific language	No specific language	Permits payments for acreage devoted to approved wildlife food plots or fish and wildlife habitat under joint regulations issued by USDA and Interior.	Same as House approved bill except responsibility for program fixed in USDA (must consult with Interior).
Farmer adjustment and retraining program.	None	None	None	Authorized for the years 1971–73. Limited to low-income farmers. Provides for purchase of alotments and bases by the Secretary; and adjustment payments.

Changes in Existing Law

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Soil Conservation and Domestic Allotment Act

* * * * * * *

Land Use Adjustment Program

Sec. 16. (e) (1) (*A*) For the purpose of promoting the conservation and economic use of land, *and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,* the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, *during the calendar years 1971, 1972, and 1973,* to be carried out during [such period not to exceed ten years as he may determined] *three-, five-, and ten-year periods,* with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out primarily on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary [*Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years] *Provided, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage.*

(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The producer shall agree to permit access to the farm without other compensation, under terms and conditions established by the Secretary, by the general public for hunting, trapping, fishing, hiking, or other recreational use, subject to applicable State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of

programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance.

(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or sucession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided,* That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection. *The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain.*

(3) The Secretary shall provide adequate safeguards to protect the *farming opportunities and* interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection. *Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.*

(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection. *The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community.*

(6) For the purpose of obtaining an increase in the permanent retirement of productive agricultural land to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring productive agricultural land for

the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions determined by the Secretary to accomplish that the purpose of the program. The Secretary also is authorized to share the cost with State local governmental agencies and other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate.

(7) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this subsection including payment of costs of administration for the program authorized under this subsection: *Provided,* That after June 30, [1963] *1972,* the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. [The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 for any calendar year, except that the Secretary may enter into agreements hereunder with respect to lands previously covered by conservation reserve contracts which would require payments, the furnishing of materials and services, and other assistance, in an additional amount for the calendar year 1963 not exceeding $15,000,000.] *The Secretary is authorized during any calendar year to enter into agreements under this subsection covering not to exceed six million acres plus the number of acres by which agreements in 1971 or 1972 covered less than six million acres.*

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Agricultural Adjustment Act of 1938

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(Note.—Sections 331 through 339 below are made inapplicable only with respect to the 1972 and 1973 crops of wheat, provided wheat producers approve the set-aside program authorized by subtitle B of title IV of the Agricultural Act of 1970 in referendum. For 1971 and if the set-aside program is not approved, for 1972 and 1973, they would be amended as shown below.)

LEGISLATIVE FINDINGS

Sec. 331. Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows

almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commence and with excessive increases in the prices of wheat and its products in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient

supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumer and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce.

PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS

SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carry-

over: *And provided further*, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through [1970] *1973*, and farm marketing quotas shall not be in effect for such crops of wheat.

NATIONAL ACREAGE ALLOTMENT

SEC. 333. The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed.

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. (a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including all amounts allotted to the State and including for 1967 the increased acreage in the State allotted for 1966 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used (1) to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat, or (2) to increase the allotment for any county, in which wheat is the principal grain crop produced, on the basis of its

relative need for such increase if the average ratio of wheat acreage allotment to cropland on old wheat farms in such county is less by at least 20 per centum than such average ratio on old wheat farms in an adjoining county or counties in which wheat is the principal grain crop produced or if there is a definable contiguous area consisting of at least 10 per centum of the cropland acreage in such county in which the average ratio of wheat acreage allotment to cropland on old wheat farms is less by at least 20 per centum than such average ratio on the remaining old wheat farms in such county, provided that such low ratio of wheat acreage allotment to cropland is due to the shift prior to 1951 from wheat to one or more alternative income-producing crops which, because of plant disease or sustained loss of markets, may no longer be produced at a fair profit and there is no other alternative income-producing crop suitable for production in the area or county. The increase in the county allotment under clause (2) of the preceding sentence shall be used to increase allotments for old wheat farms in the affected area to make such allotments comparable with those on similar farms in the adjoining areas or counties but the average ratio of increased allotments to cropland on such farms shall not exceed the average ratio of wheat acreage allotment to cropland on old wheat farms in the adjoining areas or counties. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1967 the increased acreage in the county allotted for 1966 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a

fair and equitable apportionment base for each county, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors.

(c)(1) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 or 1965 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 or 1965 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 or 1965 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 or 1965 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year except 1965 shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided,* That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable.

(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1967 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.

(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1967 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for

harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: *Provided*, That (i) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a voluntary certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (ii) for purposes of clause (i), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum and (iii) for purpose of clause (i) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers.

(d) (Repealed).

(e) (Applicable only with respect to the 1962 and 1963 crops of wheat).

(f) (Applicable only with respect to the 1955, 1956 and 1957 crops of wheat).

(g) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter except 1965 in excess of acreage allotments shall be considered in establishing future State and county acreage allotments. The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered ineligible for an allotment as a new farm under the second sentence of such subsection.

(h) (The material which would have comprised this subsection under P.L. 87–703 was redesignated (j) by P.L. 88–64.)

(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any type of wheat are inadequate to provide for the production of a sufficient quantity of such type of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated

by the Secretary as a county which (1) is capable of producing such type of wheat, and (2) has produced such type of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such type of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support.

(j) (Applicable only to the 1958 through 1963 crops of wheat.)

(k) Notwithstanding any other provision of this Act, if the Secretary determines that because of a natural disaster a portion of the farm wheat acreage allotments in a county cannot be timely planted or replanted, he may authorize the transfer of all or a part of the wheat acreage allotment for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of wheat and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotment transferred under this subsection shall be deemed to be planted on the farm from which it was transferred for the purposes of acreage history credits under this Act.

COMMERCIAL AREA

SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation.

SMALL FARM EXEMPTION

SEC. 335. (Inapplicable to 1967 and subsequent crops.)

REFERENDUM

SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary, shall not

later than August 1 of the calendar year in which such national marketing quota is proclaimed, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period. Notwithstanding any other provision hereof the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1966, may be conducted not later than thirty days after adjournment sine die of the first session of the Eighty-ninth Congress.

ADJUSTMENT AND SUSPENSION OF QUOTA

SEC. 337. (Repealed.)

TRANSFER OF QUOTAS

SEC. 338. Farm marketing quotas for wheat shall not be transferable, but, in accordance with regulations prescribed by the Secretary for such purpose, any farm marketing quota in excess of the supply of wheat for such farm for any marketing year may be allocated to other farms on which the acreage allotment has not been exceeded.

SEC. 339. (a)(1) During any year in which market quotas for wheat are in effect the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment (less an acreage equal to the increased acreage allotted for 1966 pursuant to section

335) is reduced below fifty-five million acres by the number of acres in the national acreage allotment (less an acreage equal to the increased acreage allotted for 1966 pursuant to section 335). The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

(b) The Secretary is authorized to formulate and carry out a program with respect to the crops of wheat planted for harvest in the calendar years 1964 through [1970] *1973* under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate for wheat not accompanied by marketing certificates on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Any producers who complies with his 1964 farm acreage allotment for wheat and with the other requirements of the program shall be eligible to receive payments under the program for the 1964 crop of wheat. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 50 per centum of the farm acreage allotment for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses including summer fallow and idle land but excluding the acreage diverted as provided above, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to

the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purposes of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under section (b) of this section.

(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

(e) The Secretary may permit all or any part of the diverted acreage to be devoted to the production guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.

(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1965. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

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SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton: *Provided*, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustments in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) ten million bales, whichever is larger. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made. * * *[1] Notwithstanding any other provision of this Act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of sixteen million acres. *Notwithstanding any other provision of this Act, for each of the 1971 through 1973 crops (1) the national marketing quota for upland cotton shall be not less than the number of bales required to provide a national acreage allotment for such crop of fourteen million five hundred thousand acres; and (2) each farm acreage allotment (computed without regard to clause (3)) shall bear the same relationship to its farm base acreage allotment (as finally effective after adjustment for release and reapportionment, transfers, and all other factors) as the national acreage allotment bears to the national base acreage allotment and (3) if the Secretary determines such action to be necessary to provide an adequate supply of cotton, the Secretary may (i) increase each farm cotton acreage allotment to permit the planting of cotton on all or any part of the acreage required to be set aside pursuant to section 103(e)(4) of the Agricultural Act of 1949, and (ii) apportion additional acreage not exceeding an acreage equal to 25 per centum of the national acreage allotment to farm operators who apply for such additional acreage and give such assurance as the Secretary deems appropriate that they will make all appropriate efforts to produce and harvest cotton on acreages equal to*

[1] A proviso which was effective only for the 1957 and 1958 crops has been omitted.

their increased allotments. Such additional acreage shall be apportioned in such manner as the Secretary deems appropriate to assure an adequate supply, giving special consideration to farms having cotton acreage allotments, the amounts of such allotments, and the production history of such farms. Producers on any farm receiving increased allotments under clause (3) shall be entitled to price support loans and purchases only on an amount of cotton determined by multiplying the yield used in computing payments for such farm by the acreage allotment computed without regard to clause (3).

NATIONAL COTTON PRODUCTION GOAL

SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less that 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security.

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SALE, LEASE AND TRANSFER OF UPLAND COTTON ACREAGE ALLOTMENTS

SEC. 344a. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a [cotton acreage allotment] *farm base acreage allotment for cotton* is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to any other owner or operator of a farm for transfer to such farm; (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided,* That the authority granted under this section may be exercised for the calendar years 1966 through [1970] *1973,* but all transfers hereunder shall be for such period of years as the parties thereto may agree.

(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in another State; [(ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the country from which transfer is being made have voted in a referendum within three years of the date of

such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity;] (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder; (iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) extablished for such farm for 1965 by more than one hundred acres; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease; and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provision of this section; *and (viii) no allotment may be sold or leased except to a person who furnishes such county committee with satisfactory evidence that he is dependent upon the production of cotton for a livelihood and will make all appropriate efforts to produce and harvest cotton on an acreage equal to his full farm base acreage allotment as constituted after such transfer. Any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops.* Such record may be filed with such committee only during the period beginning June 1 and ending December 31.

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[DOMESTIC ACREAGE ALLOTMENTS

[SEC. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended. the Secretary shall determine a national domestic allotment for the 1966 through 1970 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment

percentage: *Provided,* That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced; except that in the case of the 1966 crop, such determination shall be made within 15 days after enactment of the Food and Agriculture Act of 1965.]

BASE ACREAGE ALLOTMENTS

SEC. 350. (a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be not less than fourteen million five hundred thousand acres less a percentage thereof equal to the percentage of the farm acreage allotment used in determining set-aside requirements under section 103(e)(4) of the Agricultural Act of 1949, as amended.

(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment if a farm base acreage allotment was in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): Provided, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under

the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

(3) If no acreage is planted to cotton for any three consecutive crop years or any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: Provided, That, notwithstanding any other provision of law, any part of any farm base

acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of of section 103(e)(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments.

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(Note. Section 359(c) below is effective for the 1957 through the 1970 crops of peanuts. The bill would extend it to all subsequent crops of peanuts.)

SEC. 359 * * *

(c) The word "peanuts" for the purposes of this Act shall mean all peanuts produced, excluding any peanuts which it is established by the producer or otherwise, in accordance with regulations of the Secretary, were not picked or threshed either before or after marketing from the farm, or were marketed by the producer before drying or removal of moisture from such peanuts either by natural or artificial means for consumption exclusively as boiled peanuts.

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(Note. The change made in section 378 below is effective only with respect to (i) the 1972 and 1973 crops of wheat provided the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is approved by producers in referendum, and (ii) the 1971, 1972, and 1973 crops of upland cotton.)

SEC. 378. (a) Notwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owners so displaced. Upon application to the county committee, within three years after the date of such displacement, or three years after the enactment of this section, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments de-

termined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition. The former owner of land acquired as described in this subsection shall not be considered for the purposes hereof to have been displaced from such land during any period for which such land is leased to such former owner: *Provided*, That the occupancy of the former owner under the lease follows immediately after his occupancy as owner: *And provided further*, That if a former owner has been displaced prior to the effective date of this amendment and no allotment from the land owned by such former owner has been transferred from the allotment pool and such former owner leases the land formerly owned by him prior to two years from the effective date of this amendment such allotment shall be retransferred from the pool to such land and the occupancy of such former owner under the lease for the purposes of this subsection shall be deemed to have begun immediately after his displacement as owner. During any year of the 3-year period the allotment from a farm may remain in the allotment pool, the displaced owner may, in accordance with regulations of the Secretary, release for one year at a time any part or all of such farm allotment to the county committee for reapportionment to other farms in the county having allotments for such commodity on the basis of the past acreage of the commodity, land, labor, equipment available for the production of the commodity, crop rotation practices, and soil and other physical facilities affecting the production of the commodity; and the allotment reapportioned shall for purposes of establishing future farm allotments, not be regarded as planted on the farm to which the allotment was transferred.

(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal,

State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 per centum of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired.

(*d*) *The term "allotment" as used in this section includes the farm base acreage allotment for upland cotton.*

(*e*) *The term 'allotment' as used in this section includes the domestic allotment for wheat.*

(Note. The change made in section 379 below is effective only with respect to (i) the 1972 and 1973 crops of wheat provided the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is approved by producers in referendum and (ii) the 1971, 1972, and 1973 crops of upland cotton.)

SEC. 379. In any case in which the ownership of a tract of land is transferred from a parent farm, the acreage allotments, history acreages, and base acreages for the farm shall be divided between such tract and the parent farm in the same proportion that the cropland acreage in such tract bears to the cropland acreage in the parent farm, except that the Secretary shall provide by regulation the method to be used in determining the division, if any, of the acreage allotments, histories, and bases in any case in which—

(1) the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain;

(2) the tract of land transferred from the parent farm is to be used for nonagricultural purposes;

(3) the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories, and bases of the parent farm;

(4) the appropriate county committee determines that a division based on cropland proportions would result in allotments and bases not representative of the operations normally carried out on any transferred tract during the base period; or

(5) the parent farm is divided among heirs in settling an estate;

(6) neither the tract transferred from the parent farm nor the remaining portion of the parent farm receives allotments in excess of allotments for similar farms in the community having allotments of the commodity or commodities involved and such allotments are consistent with good land uses, but this clause (6) shall not be applicable in the case of burley tobacco.

The term "acreage allotments" as used in this section includes the domestic allotment for wheat.

The term "acreage allotments" as used in this section includes the farm base acreage allotment for upland cotton.

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(NOTE.—Section 379b below is suspended only with respect to the 1972 and 1973 crops of wheat, provided the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is approved by producers in referendum. Section 379b as shown in roman below has not been effective for several years and would not be effective under the bill. For the text of section 379b as it has been effective for the 1966 through 1970 crops and as it would be effective for 1971, and if producers do not approve Subtitle B, for 1972 and 1973, see section 502 of the Food and Agriculture Act of 1965 as hereinafter set out.)

WHEAT MARKETING ALLOCATION

[Sec. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for food products for consumption in the United States, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marekting allocation given producers in the commercial wheat-producing area.]

SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1972 and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryouver to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary (not to exceed 75 per centum of such allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conversing uses, as determined by the Secretary. The Secretary is authorized for the 1972 and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community. The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within sixty days following signup for the program.

(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(f) The Secretary shall advance to producers, within sixty days following signup for the program, an amount equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined is less than the advance, he difference shall not be required to be repaid.

(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(Note.—Section 379c below is superseded only with respect to the 1972 and 1973 crops of wheat, provided the set-aside program authorized by subtitle B of title IV of the Agricultural Act of 1970 is approved by producers in referendum.)

MARKETING CERTIFICATES

[SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the

farm, plus (ii) the amount of wheat stored under section 379c (b) or to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction, and if this limitation operates to reduce the amount of wheat marketing certificates which would otherwise be issued with respect to the farm, such reduction shall be made first from the amount of export certificates which would otherwise be issued. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom; except that in the case in which the Secretary determines that from such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable. The Secretary shall, in accordance with such regulation as he may prescribe, provide for the issuance of domestic marketing certificates for the portion of the wheat marketing allocation representing wheat used for food products for consumption in the United States. The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters. An acreage on the farm which the Secretary finds was not planted to wheat for harvest in 1965 because of drought, flood, or other natural disaster shall be deemed by the Secretary to be an actual acreage of wheat planted for harvest for purposes of this subsection, provided such acreage is not subsequently planted to any other price supported crop for 1965. An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection provided such acreage is not subsequently planted to any crop for which there are marketing quotas or voluntary adjustment programs in effect. Producers on any farm who have planted not less than 90 per centum of the acreage of wheat required to be planted in order to earn the full amount of marketing certificates for which the farm is eligible shall be deemed to have planted the entire acreage required to be planted for that purpose.

[(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States

or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce. Notwithstanding any other provision of this Act, the Secretary may provide that a producer shall not be eligible to receive marketing certificates, or may adjust the amount of marketing certificates to be received by the producer, with respect to any farm for any year in which a variety of wheat is planted on the farm which has been determined by the Secretary, after consultation with State Agricultural Experiment Stations, agronomists, cereal chemists and other qualified technicians, to have undesirable milling or baking qualities and has made public announcement thereof.

[(c) The Secretary shall determine and proclaim for each marketing year the face value per bushel of wheat marketing certificates. The face value per bushel of domestic certificates shall be the amount by which the level of price support for wheat accompanied by domestic certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

[(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications or other statements or forms as the Secretary may prescribe.

[(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the issuance of marketing certificates, the Secretary may, nevertheless, issue such certificates in such amounts as he determines to be equitable in relation to the seriousness of the default.]

Sec. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during he marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1972 crop, on the basis of the apportionment of the national acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1972 crop, on the basis of the apportionment of the wheat acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1972 crop, among farms in the county which had a wheat acreage allotment for the 1971 crop), on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1972 crop, to farms which had no acreage allotment for the 1971 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a quarantine imposed by the county, State, or Federal Government shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act.

(Note.—The changes indicated below for section 379d(b) apply only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973.)

MARKETING RESTRICTIONS

SEC. 379d. * * *

(b) [During any marketing year for which a wheat marketing allocation program is in effect,] *During each marketing year,* (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such food product or removing such food product for sale or consumption, acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in such product and (ii) all persons exporting wheat shall, prior to such export, acquire export marketing certificates equivalent to the number of bushels so exported, *and (iii) all persons processing or using any flour second clears, gluten or other products or byproducts of wheat for which domestic marketing certificates have not been acquired in the commercial production of food products for human consumption shall, prior to the marketing or the removing of such product for sale or consumption, acquire domestic wheat marketing certificates equivalent to the number of bushels of wheat required to produce or used in the production of the flour second clears, gluten or other product or byproduct used in the production of, or ingredient in, such food product.* The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States. The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port. Marketing certificates shall be valid to cover only sales or removals for sale or consumption or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption or export of a food product or

an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales, removals, or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales, removals, or exportations made on or after the date so determined by the Secretary. Whenever the face value per bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require marketing certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year.

Notwithstanding the foregoing, the Secretary is authorized, if subtitle B of title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1972, and ending June 30, 1974.

(Note. The change in section 379(e) below is effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1. 1973.)

SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it. Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through 1970 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic certificates exceeds $2 per bushel.

Notwithstanding any other provision of this Act, if subtitle B of the title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1972 and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel.

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(Note. The change made in section 385 below is effective only with respect to (i) the 1972 and 1973 crops of wheat provided the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is approved by producers in referendum, (ii) the 1971, 1972, and 1973 crops of feed grains, and (iii) the 1971, 1972, and 1973 crops of upland cotton.)

SEC. 385. The facts constituting the basis for any Soil Conservation Act payment, parity payment, *payment under the cotton set-aside programs, payments (including certificates) under the wheat and feed grain set-aside programs,* payment under section 339, loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations. This section also shall be applicable to payments provided for under section 348 of this title.

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Agricultural Marketing Agreement Act of 1937

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ORDERS

SEC. 8c. * * *

TERMS—MILK AND ITS PRODUCTS

(5) In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)) no others:

(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers.

(B) Providing:

(i) for the payment to all producers and associations of producers delivering milk to the same handler of uniform prices for all milk delivered by them: *Provided,* That, except in the case of orders covering milk products only, such provision is approved or favored by at least three-fourths of the producers who, during a representative period determined by the Secretary of Agriculture, have been engaged in the

production for market of milk covered in such order or by producers who, during such representative period, have produced at least three-fourths of the volume of such milk produced for market during such period; the approval required hereunder shall be separate and apart from any other approval or disapproval provided for by this section; or

(ii) for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered;

subject, in either case, only to adjustments for (a) volume, market, and production differentials customarily applied by the handlers subject to such order, (b) the grade or quality of the milk delivered, (c) the locations at which delivery of such milk is made, and [(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forfeited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers. In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer under this clause (d) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.]

(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a repre-

sentative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marektings of milk; which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

(i) for the alleviation of hardship and inequity among producers; and

(ii) for providing bases for dairy farmers and delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are

delivering milk under the order during the representative period on the same basis as producers under the order of the effective date of order provisions authorized under this clause (f): Provided, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions, authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each indivudal producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

In the administration of this section 8c(5) after the enactment of the Agricultural Act of 1970, the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders that was maintained prior to such enactment.

(C In order to accomplish the purposes set forth in paragraphs (A) and (B) of this subsection (5), providing a method for making adjustments in payments, as among handlers (including producers who are also handlers), to the end that the total sums paid by each handler shall equal the value of the milk purchased by him at the prices fixed in accordance with paragraph (A) hereof.

(D) Providing that, in the case of all milk purchased by handlers from any producer who did not regularly sell milk during a period of 30 days next preceding the effective date of such order for consumption in the area covered thereby, payments to such producer, for the period beginning with the first regular delivery by such producer and continuing until the end of the two full calendar months following the first day of the next succeeding calendar month, shall be made at the price for the lowest use classification specified in such order, subject to the adjustements specified in paragraph (B) of this subsection (5).

Providing (i) except as to producers for whom such services are being rendered by a cooperative marketing association, qualified as provided in paragraph (F) of this subsection (5), for market information to producers and for the verification of weights, sampling, and testing of milk purchased from producers, and for making appropriate deductions therefor from payments

to producers, and (ii) for assurance of, and security for, the payment by handlers for milk purchased.

(F) Nothing contained in this subsection (5) is intended or shall be construed to prevent a cooperative marketing association qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," engaged in making collective sales or marketing of milk or its products for the producers thereof, from blending the net proceeds of all its sales in all markets in all use classifications, and making distribution thereof to its producers in accordance with the contract between the association and its producers: *Provided*, That it shall not sell milk or its products to any handler for use or consumption in any market at prices less than the prices fixed pursuant to paragraph (A) of this subsection (5) for such milk.

(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing.

* * * * *

Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers *and manufacturers of dairy products* who have been directed since January 1, 1964, to remove their milk *or dairy products* from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. [Such indemnity payments shall continue to each dairy farmer] *Any indemnity payment to any farmer shall continue* until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SEC. 3. The authority granted under this Act shall expire on June 30, [1970] *1973*.

PUBLIC LAW 74, 77TH CONGRESS

(Note.—Public Law 74, 77th Congress, is made inapplicable only with respect to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.)

[That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

[(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the projected farm yield multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secre-

tary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

[(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

[(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon twice the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage in less than twice the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

[(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has

an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

[(5) The penalty upon wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

[(6) Whenever the planted acreage of the then current crop of wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also to wheat.

[(7) Until the farm marketing excess of wheat is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

[(8) (Not applicable to wheat.)

[(9) (Applicable only through the 1946 crop.)

[(10) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal sections 301(b)(6), 323(b) or 335(d) of the Act.

[(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

[(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him.]

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Agricultural Act of 1949

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PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS (COTTON)

SEC. 103. (a) Notwithstanding the provisions of section 101 of this Act, price support to cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 per centum of the parity price therefor nor less than the minimum

level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401(b) of this Act. For the 1961 crop the minimum level shall be 70 per centum of the parity price therefor, and for each subsequent crop the minimum level shall be 65 per centum of the parity price therefor: *Provided,* That the price support for the 1964 crop shall be a national average support price which reflects 30 cents per pound for Middling one-inch cotton. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101(d)(3) and (5).

(b) If producers have not disapproved marketing quotas, the Secretary shall provide additional price support on the 1964 and 1965 crops of upland cotton to cooperators on whose farms the acreage planted to upland cotton for harvest does not exceed the farm domestic allotment established under section 350 of the Agricultural Adjustment Act of 1938, as amended. Such additional support shall be at a level up to 15 per centum in excess of the basic level of support established under subsection (a) and shall be provided on the normal yield of the acreage planted for harvest within the farm domestic allotment. For purposes of this subsection, an acreage on the farm which the Secretary finds was not planted to cotton in 1965 because of flood, drought, or other natural disaster shall be deemed by the Secretary to be an actual acreage of cotton planted on the farm for harvest, provided such acreage is not subsequently devoted to any price supported crop for 1965.

(c) In order to keep upland cotton to the maximum extent practicable in the normal channels of trade, any additional price support under subsection (b) of this section may be carried out through the simultaneous purchase of cotton at the support price therefor under subsection (b) and the sale of such cotton at the support price therefor under subsection (a) or similar operations, including loans under which the cotton would be redeemable by payment of the amount for which the cotton would be redeemable if the loan thereon had been made at the support price for such cotton under subsection (a), or payments-in-kind through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary. If such additional support is provided through the issuance of payment-in-kind certificates, such certificates shall have a value per pound of cotton equal to the difference between the level of support established under subsection (a) and the level of support established under subsection (b). The corporation may, under regulations prescribed by the Secretary, assist the producers and persons receiving payment-in-kind certificates under this section and section 348 of the Agricultural Adjustment Act of 1938, as amended, in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this section and such section 348. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges as determined by the Secretary for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

(d) (1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support and

diversion payments shall be made available for the 1966 through 1970 crops of upland cotton as provided in this subsection.

(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans of such level, not exceeding a level which will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the estimated average world market price for Middling one-inch upland cotton for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: *Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

(3) The Secretary also shall provide additional price support for each such crop through payments in cash or in kind to cooperators at a rate not less than 9 cents per pound: *Provided*, That the rate shall be such that the amount obtained by—

(i) multiplying the rate by the farm domestic acreage allotment percentage, and

(ii) dividing the product thus obtained by the cooperator percentage established under section 408(b), and

(iii) adding the result thus obtained to the national average loan rate

shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton as of the month in which the payment rate provided for by this paragraph is announced. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided*, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment. An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood, or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any other crop for which there are marketing quotas or voluntary adjustment programs in effect.

(4) The Secretary shall make diversion payments in cash or in kind in addition to the price support payments authorized in paragraph (3) to cooperators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That no reduction below the domestic acreage allotments established under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be prescribed: *Provided further*, That payment under this paragraph shall be made available for diverting to conserving uses that part of the acreage allotment which must be diverted from cotton in order that the producer may qualify as a cooperator. The rate of payment for acreage required to be diverted in order to qualify as a cooperator shall not be less than 25 per centum of the parity price for upland cotton as of the month in which such rate is announced. The rate of payment for additional acreage diverted shall be such rate as the Secretary determines to be fair and reason-

able, but shall not exceed 40 per centum of such parity price. Payment at each applicable rate shall be made on the quantity of cotton determined by multiplying the acreage diverted from the production of cotton at such rate by the projected farm yield. In addition to the foregoing payment, if any, payments at the rate applicable for acreage required to be diverted to qualify as a cooperator shall be made to producers on small farms as defined in section 408(b) who do not exceed their farm acreage allotments on a quantity of cotton determined by multiplying an acreage equal to 35 per centum of such farm acreage allotment by the projected farm yield.

(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made at such time as the Secretary may prescribe.

(6) Where the farm operator elects to participate in the diversion program authorized in this subsection and no acreage is planted to cotton on the farm, diversion payments shall be made at the rate established under paragraph (4) for acreage required to be diverted to qualify as a cooperator on the quantity of cotton determined by multiplying that part of the farm acreage allotment required to be diverted to qualify as a cooperator by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments, and farm bases.

(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

(8) Payments under this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments (hereinafter called "diverted acreage"), and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income, subject to the condition that payment under paragraph (4) or (6) with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.

(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m)(2) thereof.

(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing diversion payments on a fair and equitable basis under this subsection. The Secretary shall provide for the sharing of price support payments among producers on the farm on the basis of their respective shares in the cotton crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable.

(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the making of payments under this section, the Secretary may, nevertheless, make such payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefore and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

(13) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall also apply to payments under this subsection.

(14) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this subsection and to pay administrative expenses necessary in carrying out this subsection.

(e)(1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators nonrecourse loans for a term of one year from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the average world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment

of such as loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secretary annually pursuant to a published regulation which shall specify the procedures and the factors to be used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective.

(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the loan level for Middling one-inch cotton at average location will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year: Provided, That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

(1) had average gross annual sales of farm products of not more than $5,000; and

(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer),

and who is on a small farm (that is a farm on which the acreage allotment is ten acres or less, or on which the yield used in making payments times the acreage allotment is three thousand six hundred pounds, or less, and for which the base acreage allotment has not been reduced under section 350 (f)) shall be increased by 30 per centum. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is lesst han the rate of the preliminary payment.

(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield established for the farm: Provided, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State or Federal Government of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968 and 1969: Provided, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: Provided further, That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the

farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

(4)(A) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm acreage allotment for the farm as may be specified by the Secretary (not to exceed 12½ per centum of the farm acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an average of cropland on the farm in addition to that required to be so devoted under subsection (e)(4)(1)(A). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside ond divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

(10) The Secretary shall carry on the program authorized by this section through the Commodity Credit Corporation.

(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection.

* * * * * * *

(Note. The change made in section 105 below is effective only with respect to the 1971, 1972, and 1973 crops of feed grains.)

PRICE SUPPORT FOR 1959 AND SUBSEQUENT YEARS (CORN AND FEED GRAINS)

[SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn: *Provided*, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.

[(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 401(b) hereof.

[(c) (Applicable only to the 1961 through 1963 crops of feed grains.)

[(d) (Applicable only to the 1964 and 1965 crops of feed grains.)

[(e) (Applicable only to the 1966 through 1970 crops of feed grains.)]

SEC. 105. Notwithstanding any other provision of law—

(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as

the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

(3) Price support loans with respect to the 1971 through 1973 crops of feed grains shall be made available on grains stored on the farm where produced, and price support loans on grains of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for such grains.

(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base: Provided, That no farm feed grain base shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income. Notwithstanding any other provision of this subsection, the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for a loan or purchase to participate in the set-aside program for feed grains if such producer has previously produced a malting variety of barley and plants barley only of an acceptable malting variety for harvest.

(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the setaside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing and hiking, subject to applicable State and Federal regulations.

(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later

than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: Provided, That except for acreage provided for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing air and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

(f) If any case in which the failure of a producer to comply fully with the terms and conditions of the program forumlated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(g) The Secretary shall make a preliminary payment to producers, within sixty days following signup for the program, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

* * * * *

(Note.—Section 107 below has been superseded with respect to the 1966 through 1970 crops of wheat and will be further superseded as shown below.)

[SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

[(1) Price support for wheat accompanied by domestic certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

[(2) Price support for wheat accompanied by export certificates shall be at such level not more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

[(3) Price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

[(4) Price support shall be made available only to cooperators; and, if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area.

[(5) Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

[(6) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, if marketing quotas are not in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm market excess is delivered to the Secretary or

stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored.]

(Note. Section 107 as it appears first below has been effective for the 1966 through 1970 crops, and with the change indicated below will be effective for the 1971 crop, and, if the set-aside program authorized by subtitle B of title IV of the Agricultural Act of 1970 is disapproved by producers in referendum, will be effective for the 1972 and 1973 crops.)

SEC. 107. Notwithstanding the provisions of section 101 of this Act, for any marketing year—

(1)(a) Price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, and (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor *nor less than $1.25 per bushel*, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

(2) notwithstanding the provisions of paragraph (1), for the 1966 crop, price support for wheat accompanied by domestic marketing certificates shall be at 100 per centum of the parity price therefor, and price support for wheat not accompanied by marketing certificates shall be not less than $1.25 per bushel. For any crop of wheat planted for harvest during the calendar years 1967 through [1970] *1973* for which the diversion factor established pursuant to section 339(a) of the Argicultural Adjustment Act of 1938, as amended, is not less than 10 per centum, the total average rate of return per bushel made available to a cooperator on the estimated production of his allotment based on projected yield through loans, domestic marketing certificates, estimated returns from export marketing certificates, and diversion payments for acreage diverted pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, shall not be less than the total average rate of return per bushel made available to cooperators through loans and domestic marketing certificates for the 1966 crop.

(3) Price support shall be made available only to cooperators, and

(4) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with

the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored.

(Note. Section 107 below will be effective for the 1972 and 1973 crops of wheat provided the set-aside program authorized by subtitle B of title IV of the Agricultural Act of 1970 is approved by producers in referendum.)

SEC. 107. Not withstanding any other provision of law—

(a) Loans and purchases on each crop of wheat shall be made available at such level, not in excess of the parity price therefor nor less than $1.25 per bushel, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

(c) Price support loans with respect to the 1972 and 1973 crops of wheat shall be made available on wheat stored on the farm where produced, and price support loans on wheat of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for wheat.

* * * * * * *

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for tung nuts, honey, [milk, butterfat, and the products of milk and butterfat] *and milk* as follows:

(a) (Repealed.)

(b) The price of tung nuts and honey, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor: *Provided,* That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 per centum of the parity price therefor;

(c) [The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such levels not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Notwithstanding the foregoing provisions, for the period beginning with the enactment of this sentence and ending March 31, 1961, the price of milk for manufacturing purposes and the price of butterfat shall be supported at not less than $3.22 per hundred weight and 59.6 cents per pound, respectively. Such price support shall be provided through loans on, or purchases of, milk and the products of milk and butterfat, and for the period ending March

31, 1956, surplus stocks of dairy products owned by the Commodity Credit Corporation may be disposed of by any methods determined necessary by the Secretary. For the period beginning September 1, 1954, and ending June 30, 1955, not to exceed $50,000,000, and for the fiscal year ending June 30, 1956, not to exceed $60,000,000, and for each of the two fiscal years in the period beginning July 1, 1956, and ending June 30, 1968, not to exceed $75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in (1) nonprofit schools of high-school grade and under; and in (2) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.] *The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk.*

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

SEC. 202. As a means of increasing the utilization of dairy products (including for purposes of this section, milk) upon the certification by the Administrator of Veterans' Affairs or by the Secretary of the Army, acting for the military departments under the Department of Defense's Service Purchase Assignment for Subsistence, or their duly authorized representatives that the usual quantities of dairy products have been purchased in the normal channels of trade—

(a) The Commodity Credit Corporation until December 31, [1970] *1973*, shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under this jurisdiction. This Administrator shall report every six months to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(b) The Commodity Credit Corporation until December 31, [1970] *1973*, shall make available to the Secretary of the Army, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Secretary of the Army or his duly authorized representative certifies can be utilized in order to provide additional butter and cheese and other dairy products as a part of the ration (1) of the Army, Navy, Air Force, or Coast Guard, (2) in hospitals under the jurisdiction of the Department of Defense, and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy. The Secretary of the Army shall report every six months to the Committees on Agriculture, of the Senate and the House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(c) Dairy products made available under this section shall be made available without charge, except that the Secretary of the Army or the Administrator of Veterans' Affairs shall pay the Commodity Credit Corporation the costs of packaging incurred in making such products so available.

(d) The obligation of the Commodlty Credit Corporation to make dairy products available pursuant to the above shall be limited to dairy products acquired by the Corporation through price-support operations and not disposed of under provisions (1) and (2) of section 416 of this Act, as amended.

(Note.—Section 203 below is made inapplicable only with respect to the 1971, 1972, and 1973 crops.)

[SEC. 203. Whenever the price of either cottonseed or soybeans is supported under this Act, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.]

* * * * * * *

(Note. The first three changes made in section 407 below are effective only with respect to (i) the 1972 and 1973 crops of wheat provided the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is approved by producers in referendum, and (ii) the 1971, 1972, and 1973 crops of feed grains.)

RESTRICTIONS ON SALES BY CCC

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities of storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided,* That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided further,* That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges: [*Provided further,* That is a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat not accompanied by marketing certificates: *Provided,* That whenever the Secretary of Agriculture determines that the carryover at the end of any marketing year of a price supported agricultural commodity for which a voluntary adjustment program is in effect will be less than 25 per centum (35 per centum in the case of wheat) of the

estimated export and domestic consumption of such commodity during such marketing year, the Commodity Credit Corporation shall not sell any of its stocks of such commodity during such year for unrestricted use at less than 115 per centum (120 per centum in the case of wheat whenever its carryover will be less than 25 per centum of such estimated export and domestic consumption) of the current price support loan plus reasonable carrying charges] *Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges.*

The foregoing restrictions shall not apply to (A) sales for new or by product uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States including the Virgin Islands declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855) and shall make feed owned or controlled by it available at any price not less than 75 per centum of the [current basic county support rate for such feed including the value of any applicable price support payment in kind (or a comparable price if there is no current basic county support rate)] *current basic county loan rate (or a comparable price if there is no current basic county loan rate)* for assistance in the preservation and maintenance of foundation herds of cattle (including producing diary cattle), sheep, and goats, and their offspring, in any area of the United States including the Virgin Islands where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock: *Provided*, That the Secretary may provide for the furnishing of feed or mixed feed, in accordance with regulations prescribed by hin, to such persons by feed dealers under an arrangement whereby the feed grains (or other feed being sold by the Corporation) in the feed so furnished would be replaced with feed owned or controlled by the Corporation and sold to such persons at a price determined

as provided above. Except on a reimbursement basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-supporting program [, but in no event shall the purchase price exceed the then current support price for such commodities.] *or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use.* For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold by exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw of processed form. Notwithstanding the foregoing, whenever prior to December 31, 1963, the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest. [Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1971, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2)] *Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)* the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly. Notwithstanding any other provision of this section, effective August 1, 1968, the Commodity Credit Corporation shall make available during each marketing year for sale for unrestricted use at market prices at the time of sale, a quantity of American grown extra long staple cotton equal to the amount by which the production of such cotton in the calendar year

in which such marketing year begins is less than the estimated requirements of American grown extra long staple cotton for domestic use and for export for such marketing year: *Provided,* That no sales shall be made at less than 115 per centum of the loan rate for extra long staple cotton under section 101(f) of this Act beginning with the marketing year for the first crop for which the national marketing quota for extra long staple cotton is not established under paragraph (3) of section 347(b) of the Agricultural Adjustment Act of 1938, as amended. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly.[1]

SEC. 408. * * *

COOPERATOR

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn or wheat to a producer outside the commercial corn-producing or wheat-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary: *Provided,* That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton does not exceed the cooperator percentage, which shall be in the case of the 1966 crop, 87.5 per centum of such farm acreage allotment and, in the case of each of the 1967 through 1970 crops, such percentage, not less than 87.5 or more than 100 per centum, of such farm acreage allotment as the Secretary may specify for such crop, except that in the case of small farms (i.e., farms on which the acreage allotment is 10 acres or less, or on which the projected farm yield times the acreage allotment is 3,600 pounds or less, and the acreage allotment has not been reduced under section 344(m)) the acreage of cotton on the farm shall not be required to be reduced below the farm acreage allotment[.] *: And provided, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e).* For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

* * * * * * *

(Note. The change made in section 408 below is effective only with respect to (i) the 1972 and 1973 crops of wheat provided the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is approved by producers in referendum, and (ii) the 1971, 1972, and 1973 crops of feed grains.)

REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

(k) References made in sections 402, 403, 406, and 416 to the terms "support price," "level of support," and "level of price support" shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms "price

support," "price support operations," and price "support program" in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act.

(Note. The change made in section 408 below is effective only with respect to the 1971, 1972, and 1973 crops of upland cotton.)

COTTON

(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act.

* * * * * * *

NATIONAL WOOL ACT OF 1954

* * * * * * *

SEC. 703. (*a*) The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending December 31, [1970] *1973*. [The support price for shorn wool shall be at such incentive level as the Secretary, after consultation with producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: *Provided*, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor: *Provided further*, That the]

(*b*) *The* support price for shorn wool for the 1966 and each subsequent marketing year shall be determined by multiplying 62 cents by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended) for the three calendar years immediately preceding the calendar year in which such price support is determined and announced to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounding the resulting amount to the nearest full cent[.] *: Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.*

(*c*) The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 15 per centum above or below the comparable percentage of parity at which shorn

wool is supported[.] : *Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.*

(*d*) Notwithstanding the foregoing, no price support shall be made available, other than through payments, at a level in excess of 90 per centum of the parity price for the commodity.

(*e*) The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

* * * * * * *

FOOD AND AGRICULTURE ACT OF 1965

(Note. The changes made in Title V—Wheat below are effective for the 1971 crop of wheat and, if the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is not approved by producers in referendum, will be effective for the 1972 and 1973 crops.)

TITLE V—WHEAT

SEC. 501. Effective beginning with the crop planted for harvest in the calendar year 1966, the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 332 is amended by changing item (iv) in subsection (b) to read: "will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962" and by adding the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through [1970] *1973*, and farm marketing quotas shall not be in effect for such crops of wheat."

(2) Section 333 is amended to read as follows: "The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed.

(3) Subsection (a) of section 334 is amended to read as follows:

"(a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including all amounts allotted to the State and including for 1967 the increased acreage in the State allotted for 1966 under section 335,

adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

(4) Subsection (b) of section 334 is amended to read as follows:

"(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1967 the increased acreage in the county allotted for 1966 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop rotation practices, estimated decreases in farm allotments because of loss of history, and other relevant factors."

(5) Subsection (c) of section 334 is amended by adding new paragraphs (3) and (4) to read as follows:

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1967 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.

"(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1967 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: *Provided*, That (i) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a voluntary certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (ii) for purposes of clause (i), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum; and (iii) for purposes of clause (i) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers."

(6) Subsection (d) of section 334 is repealed.

(7) Subsection (g) of section 334 is amended by striking out the language "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section" in the first sentence.

(8) Section 335 is amended by adding at the end thereof the following: "This section shall not be applicable to the crops planted for harvest in 1967 and subsequent years."

(9) Section 339(b) is amended (1) by striking out "1964 and 1965 crops of wheat" and substituting "crops of wheat planted for harvest in the calendar years 1964 through [1970] *1973;* and, (2) by striking out of the third sentence "20 per centum of the farm acreage allotment" and "fifteen acres" and substituting "50 per centum of the farm acreage allotment" and "twenty-five acres", respectively.

(10) Section 339(e) is amended to read as follows: "(e) The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, seasame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines

that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses."

SEC. 502. Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through [1970] *1973* and the marketing years for such crops, section 379b is amended to read as follows:

"SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 through [1970] *1973*. When ever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, but the amount of wheat included in the marketing allocation for food products for consumption in the United States shall not be less than five hundred million bushels, and (2) the national allocation percentage for such year which shall be the percentage which, when applied to the farm as provided in this section, will result in marketing certificates being issued to producers in the amount of the national wheat marketing allocation. The cost of any domestic marketing certificates issued to producers in excess of the number of certificates acquired by processors as a result of the application of the five hundred million bushel minimum or an overestimate of the amount of wheat used during such year for food products for consumption in the United States shall be borne by Commodity Credit Corporation. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

SEC. 505. The Agricultural Act of 1964 is amended as follows:

(1) Amendment (7) of section 202 is amended by striking out "1964 and 1965" and substituting "the calendar years 1964 through [1970] *1973*".

(2) Amendment (13) of section 202 is amended by striking out "only with respect to the crop planted for harvest in the calendar year 1965" and substituting "with respect to the crops planted for harvest in the calendar years 1965 through [1970] *1973*".

(3) Section 204 is amended by striking out "1964 and 1965" and substituting "1964 through [1970] *1973*".

SEC. 506. Effective only with respect to the 1966 through [1970] *1973* crops, section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445a), is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, for any marketing year—

"(1)(a) Price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, and (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(2) notwithstanding the provisions of paragraph (1), for the 1966 crop, price support for wheat accompanied by domestic marketing certificates shall be at 100 per centum of the parity price therefor, and price support for wheat not accompanied by marketing certificates shall be not less than $1.25 per bushel. For any crop of wheat planted for harvest during the calendar years 1967 through [1970] *1973* for which the diversion factor established pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, is not less than 10 per centum, the total average rate of return per bushel made available to a cooperator on the estimated production of his allotment based on projected yield through loans, domestic marketing certificates, estimated returns from export marketing certificates, and diversion payments for acreage diverted pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, shall not be less than the total average rate of return per bushel made available to cooperators through loans and domestic marketing certificates for the 1966 crop.

"(3) Price support shall be made available only to cooperators, and

"(4) A 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

* * * * * * *

SEC. 516. Section 379e of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the [1970] *1973* wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic certificates exceeds $2 per bushel."

* * * * * * *

(Note. The change made in section 706 below is effective only with respect to (i) the 1972 and 1973 crops of wheat provided the set-aside program authorized by Subtitle B of Title IV of the Agricultural Act of 1970 is approved by producers in referendum, and (ii) the 1971, 1972, and 1973 crops of upland cotton.)

SEC. 706. Notwithstanding any other provision of law, the Secretary, upon the request of any agency of any State charged with the administration of the public lands of the State, may permit the transfer of acreage allotments or feed grain bases together with relevant production histories which have been determined pursuant to the Agricultural Adjustment Act of 1938, as amended, or section 16 of the Soil Conservation and Domestic Allotment Act, as amended, *or the Agricultural Act of 1949, as amended,* from any farm composed of public lands to any other farm or farms in the same county composed of public lands: *Provided,* That as a condition for the transfer of any allotment or base an acreage equal to or greater than the allotment or base transferred prior to adjustment, if any, shall be devoted to and maintained in permanent vegetative cover on the farm from which the transfer is made. The Secretary shall prescribe regulations which he deems necessary for the administration of this section, which may provide for adjusting downward the size of the allotment or base transferred if the farm to which the allotment or base is transferred normally has a higher yield per acre for the commodity for which the allotment or base is determined, for reasonable limitations on the size of the resulting allotments and bases on farms to which transfers are made, taking into account the size of the allotments and bases on farms of similar size in the community, and for retransferring allotments or bases and relevant histories if the conditions of the transfer are not fulfilled. *The term "acreage allotments" as used in this section includes the farm base acreage allotments for upland cotton. The term "acreage allotments" as used in this section includes the domestic allotment for wheat.*

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AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

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SEC. 104. Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under this title for one or more of the following purposes:

(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

(b) For carrying out programs of United States Government agencies to—

* * * * *

(2) finance with not less than [2] *5* per centum of the total sales proceeds received each year in each country activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies

for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, the International Education Act of 1966, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Foundation on the Arts and the Humanities Act of 1965, and the Public Broadcasting Act of 1967;

* * * * * * *

(k) for paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests;

Provided, That—

(1) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsections (a) and (b), *other than paragraph (2) of subsection (b),*

* * * * * * *

SEC. 402. The term "agricultural commodity" as used in this Act shall include any agricultural commodity produced in the United States or product thereof produced in the United States: *Provided, however,* That the term "agricultural commodity" shall not include alcoholic beverages, and for the purposes of title II of this Act, tobacco or products thereof. *The foregoing proviso shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities carried out with foreign currencies made available under title I of this Act which have as their purpose the expansion of export sales of United States agricultural commodities.* Subject to the availability of appropriations therefor, any domestically produced fishery product may be made available under this Act.

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SEC. 409. No agreements to finance sales under title I and no programs of assistance under title II shall be entered into after December 31, [1970] *1973.*

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Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

[Report No. 91–1154]

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 1970

Read twice and referred to the Committee on Agriculture and Forestry

AUGUST 28, 1970

Reported by Mr. ELLENDER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That this Act may be cited as the "Agricultural Act of 1970".~~

~~TITLE I—PAYMENT LIMITATION~~

~~SEC. 101. Notwithstanding any other provision of law—~~

~~(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs~~

established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f)

shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary

determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers

~~under the order, shall ninety days later, pursuant to the provisions of section 8c(5)(D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.~~

~~The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all pro-~~

ducers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971,

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

~~TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS~~

~~SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.~~

~~DAIRY INDEMNITY PROGRAM~~

~~SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."~~

~~TITLE III—WOOL~~

~~SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:~~

~~(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".~~

~~(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "*Provided further*, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31,~~

~~1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".~~

~~(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".~~

~~(4) Designate the sixth sentence of section 703 as subsection "(d)".~~

~~(5) Designate the last sentence of section 703 as subsection "(e)".~~

~~TITLE IV—WHEAT~~

~~SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:~~

~~"SEC. 107. Notwithstanding any other provision of law—~~

~~"(a) Loans and purchases on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.~~

"(b) If a set-aside program is in effect for any crop of wheat under section 379b (c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected

yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed,

crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land

~~diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.~~

~~"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.~~

~~"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as~~

the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall issue certificates to producers,

as soon as practicable after July 1 of the year in which the crop is harvested, at preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates so issued shall not be reduced if the face value as finally determined is less than the preliminary face value.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a) (1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on

the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish

a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production

of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeed-

~~ing crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.~~

"~~(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant~~ the farm domestic ~~allotment, if the producer elects not to receive payment for such portion of~~

the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d (b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d (b) the following:

"Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat."

(3) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (c) to read as follows:

"(c) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

~~(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and~~

~~(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."~~

~~SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.~~

~~SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by the amount by which the actual total production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for the current crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.~~

~~SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:~~

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "*Provided*, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)",

and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be

made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (c) (2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines

was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as deter-

~~mined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall~~

such committees permit the harvesting of crops from the set-aside acreage.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide

~~for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.~~

~~"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.~~

~~"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.~~

"~~(c) (1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.~~

"~~(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided*, That except for acreage provided for in subsection (b) (3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b) (3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b) (3).~~

"(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts

as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, pro-

~~claim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security.~~"

~~(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:~~

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided*, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic

~~Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.~~

~~(4) Section 350 of the Act is amended to read as follows:~~

~~"BASE ACREAGE ALLOTMENTS~~

~~"SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basic of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national~~

~~cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.~~

~~"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.~~

~~"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b) : *Provided*, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.~~

~~"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.~~

~~"(e) (1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in mak-~~

ing adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton: *Provided*, That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such

terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequi-

ties or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided*, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103 (c) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the

~~transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."~~

~~SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (c) reading as follows:~~

~~"(c) (1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.~~

~~"(2) In addition, the Secretary shall make available to~~

~~cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.~~

~~"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year~~

caused by drought, flood, or other natural disaster: *Provided*, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

"(4) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other com-

~~modities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.~~

~~"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.~~

~~"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and~~

~~the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (c) (6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.~~"

"~~(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section~~.

"~~(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.~~

"~~(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.~~

"~~(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.~~

"~~(11) The provisions of subsection 8 (g) of the Soil~~

~~Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection.~~"

~~SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".~~

~~SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided*, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been~~

established who has set aside the acreage required under section 103 (c).”

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

“(d) The term ‘allotment’ as used in this section includes the farm base acreage allotment for upland cotton.”

(2) By adding at the end of section 379 the following sentence: “The term ‘acreage allotments’ as used in this section includes the farm base acreage allotments for upland cotton.”

(3) By adding in the first sentence of section 385 after the words “parity payment,” the words “payments under the cotton set-aside programs,”.

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89–321 (79 Stat. 1210) is amended as follows:

By adding at the end thereof the following sentence: “The term ‘acreage allotments’ as used in this section includes the farm base acreage allotments for upland cotton.”

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of

1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

~~TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480~~

~~SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".~~

~~TITLE VIII—GENERAL AND MISCELLANEOUS~~

~~LONG-TERM LAND RETIREMENT~~

~~SEC. 801. Section 16 (e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—~~

~~(1) By inserting "(A)" after "Sec. 16 (e) (1)".~~

~~(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".~~

~~(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".~~

~~(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "*Provided,*~~

That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secretary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review

~~applications of farmers for the public land use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance.~~"

~~(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain.~~"

~~(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.~~"

~~(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action~~

~~will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements.~~"

~~(9) By adding a new paragraph (6) to read as follows:~~

"~~(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such~~

~~action. The term 'rural areas', for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate.~~"

~~(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such~~

years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 through 1973 crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located

~~(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.~~

~~(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.~~

~~(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.~~

~~(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.~~

~~(f) The provisions of this section shall not be in effect after December 31, 1973.~~

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: Provided, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by strik-

ing in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk; which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer

reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy

farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facili-

ties from which they are delivering milk under the order during the representative period on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): Provided, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all producers. Notwithstanding the provisions of section 8c (12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately ap-

proved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

"In the administration of this section 8c(5) after the enactment of the Agricultural Act of 1970, the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders that was maintained prior to such enactment."

(b) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 13, 1971.

(c) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of

1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, 1973.".

(b) The first sentence of section 1 of said Act is amended by inserting "and manufacturers of dairy products" after "dairy farmers", and by inserting "or dairy products" after "their milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.".

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "Provided further, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "Provided, That for the three marketing

years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 400. Subtitle A of this title shall be effective for the 1971 crop of wheat. The Secretary shall conduct a referendum, by secret ballot, of farmers to determine whether for the 1972 and 1973 crops of wheat they favor the program provided for by subtitle A or the program provided for by subtitle B. Any producer who has a farm acreage allotment shall be eligible to vote in such referendum. The Secretary shall proclaim the results of such referendum within thirty days after the date of such referendum and if the Secretary determines that the program provided for by subtitle B is favored by

(i) a majority of the producers voting in such referendum, and

(ii) the producers of more than 50 per centum of the wheat produced by producers voting in the referendum during the most recent calendar year for which production records are available,

subtitle B shall be effective for the 1972 and 1973 crops of wheat. Otherwise subtitle A shall be effective for the 1972 and 1973 crops.

Subtitle A—Program Similar to 1970 Program

SEC. 401. (a) The Food and Agriculture Act of 1965, as amended, is amended—

(1) by deleting "through 1970 crops" wherever it appears in section 506 and substituting "through 1973 crops";

(2) by deleting "years 1966 through 1970" wherever it appears in sections 501 and 502 and substituting "years 1966 through 1973";

(3) by deleting "in the calendar years 1964 through 1970" in section 501 and substituting "in the calendar years 1964 through 1973";

(4) by deleting "through 1970" in section 505 and substituting "through 1973";

(5) by deleting "years 1967 through 1970" and substituting "years 1967 through 1973" in section 506;

(6) by deleting "through the 1970" and substituting "through the 1973" in section 516.

(b) Section 107(1)(b) of the Agricultural Act of 1949, as effective through the 1973 crop, is amended by inserting after "not in excess of the parity price therefor" the following: "nor less than $1.25 per bushel".

(c) Price support loans with respect to the 1971 through 1973 crops of wheat shall be made available on wheat stored on the farm where produced, and price support loans on wheat of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for wheat.

(d) The Secretary shall advance to producers, within sixty days following signup for the 1971 wheat program, an amount equal to not less than 50 per centum of

(i) the Secretary's estimate of the face value of certificates to be issued under section 379c(a) of the Agricultural Adjustment Act of 1938 with respect to the 1971 crop of wheat (to be repaid through the withholding of certificates for such crop having a face value equal to such advance), and

(ii) the payments to become due under section 339 of such Act with respect to such wheat.

Subtitle B—Set-Aside Program

SEC. 402. Effective only with respect to the 1972 and 1973 crops of wheat and only if this subtitle is effective with respect to such crops, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at such level, not in excess of the parity price therefor nor less than $1.25 per bushel, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

"(c) Price support loans with respect to the 1972 and 1973 crops of wheat shall be made available on wheat stored on the farm where produced, and price support loans on wheat of such crops and prior crops so stored shall

be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for wheat."

SEC. 403. Effective only with respect to the 1972 and 1973 crops of wheat and only if this subtitle is effective with respect to such crops, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1972 and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the

Secretary determines necessary to provide a fair and equitable yield.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary (not to exceed 75 per centum of such allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1972 and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage

to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community. The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within sixty days following signup for the program.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the

Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action

necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall advance to producers, within sixty days following signup for the program, an amount equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined is less than the advance, the difference shall not be required to be repaid.

"(g) The Secretary is authorized to issue such regula-

tions as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the

preceding crop (for the 1972 crop, on the basis of the apportionment of the national acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1972 crop, on the basis of the apportionment of the wheat acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1972 crop, among farms in the county which had a

wheat acreage allotment for the 1971 crop), on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1972 crop, to farms which had no acreage allotment for the 1971 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall

not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have

planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a quarantine imposed by the county, State, or Federal Government shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b) (1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

Subtitle C—General

SEC. 404. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section

379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by inserting a comma in lieu of the period at the end of the first sentence of section 379d(b) and adding the following: "and (iii) all persons processing or using any flour second clears, gluten or other products or by-products of wheat for which domestic marketing certificates have not been acquired in the commercial production of food products for human consumption shall, prior to the marketing or the removing of such product for sale or consumption, acquire domestic wheat marketing certificates equivalent to the number of bushels of wheat required to produce or used in the production of the flour second clears, gluten or other product or byproduct used in the production of, or ingredient in, such food product."

(3) by adding at the end of section 379d(b) the following:

"Notwithstanding the foregoing, the Secretary is authorized, if subtitle B of title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1972, and ending June 30, 1974.

(4) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, if subtitle B of the title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1972 and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 405. Effective only with respect to (i) the 1972 and 1973 crops of wheat and only to such crops if subtitle B of this title is effective with respect to such crops and (ii) the 1971, 1972, and 1973 crops of feed grains, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1972 and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in

this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 406. Effective only with respect to the 1972 and 1973 crops of wheat, and only if subtitle B of this title is effective with respect to such crops, section 706, Public Law 89–321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 407. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1972 and 1973.

SEC. 408. If subtitle B of this title is effective with respect to the 1972 and 1973 crops of wheat, the amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1972 crop of wheat may be reduced by the amount by

which the actual total production of the 1972 or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for such crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 409. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, and if subtitle B of this title is effective with respect to such crops the 1972 and 1973 crops of wheat the Agricultural Act of 1949 as amended is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 410. Section 407 of the Agricultural Act of 1949,

as amended, is further amended effective only with respect to the marketing years for (i) the 1971, 1972, and 1973 crops of feed grains, and (ii) if subtitle B of this title is effective with respect to such crops, the 1972 and 1973 crops of wheat as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting

"or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

SEC. 411. In the event that no new legislation is enacted in advance of the planting season for the 1974 crop of fall seeded wheat, and the Secretary determines that it will best accomplish the purposes of section 379a of the Agricultural Adjustment Act of 1938, as amended, and is otherwise in the interest of wheat producers and the United States, he is authorized to carry out a program for the 1974 crop of wheat on the same basis as the program for the 1973 crop, in which event references made in titles I and IV of this Act to the 1973 crop of wheat and to the marketing year for such crop beginning July 1, 1973, shall be considered as applying as well to the 1974 crop of wheat and to the marketing year beginning July 1, 1974, and the period beginning July 1, 1971, and ending June 30, 1974, referred to in section 403 shall be considered as extended to June 30, 1975.

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to pro-

ducers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(3) Price support loans with respect to the 1971 through 1973 crops of feed grains shall be made available on grains stored on the farm where produced, and price support loans on grains of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for such grains.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage

has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base: Provided, That no farm feed grain base shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe,

plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income. Notwithstanding any other provision of this subsection, the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for a loan or purchase to participate in the set-aside program for feed grains if such producer has previously produced a malting variety of barley and plants barley only of an acceptable malting variety for harvest.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local com-

munity so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside

and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any

State or county in order to establish fair and equitable feed grain bases for farms within such State or county: Provided, That except for acreage provided for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

"(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production

after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, within sixty days following signup for the program, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Section 342 is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, for each of the 1971 through 1973 crops (1) the national marketing quota for upland cotton shall be not less than the number of bales required to provide a national acreage allotment for such crop of fourteen million five hundred thousand acres; and (2) each farm acreage allotment (computed without regard to clause (3)) shall bear the same relationship to its farm base acreage allotment (as finally effective after adjustment for release and reapportionment, transfers, and all other factors) as the national acreage allotment bears to the national base acreage allotment and (3) if the Secretary determines such action to be necessary to provide an adequate supply of cotton, the Secretary may (i) increase each farm cotton acreage allotment to permit the planting of cotton on all or any part of the acreage required to be set aside pursuant to section 103(e)(4) of the Agricultural Act of 1949, and (ii) apportion additional acreage not exceeding an acreage equal to 25 per centum of the national acreage allotment to farm operators who apply for such additional acreage and give such assurance as the Secre-

tary deems appropriate that they will make all appropriate efforts to produce and harvest cotton on acreages equal to their increased allotments. Such additional acreage shall be apportioned in such manner as the Secretary deems appropriate to assure an adequate supply, giving special consideration to farms having cotton acreage allotments, the amounts of such allotments, and the production history of such farms. Producers on any farm receiving increased allotments under clause (3) shall be entitled to price support loans and purchases only on an amount of cotton determined by multiplying the yield used in computing payments for such farm by the acreage allotment computed without regard to clause (3)."

(2) A new section 342a is added to read as follows:—

"NATIONAL COTTON PRODUCTION GOAL

"SEC. *342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and esti-*

mated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(A) Subsection (a) is amended (i) by striking "cotton acreage allotment" and inserting "farm base acreage allotment for cotton", and (ii) by striking "1970" and inserting "1973".

(B) Subsection (b) is amended by striking clause (ii) and by inserting before the period at the end of the next to last sentence the following: "; and (viii) no allotment may be sold or leased except to a person who furnishes such county

committee with satisfactory evidence that he is dependent upon the production of cotton for a livelihood and will make all appropriate efforts to produce and harvest cotton on an acreage equal to his full farm base acreage allotment as constituted after such transfer. Any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops".

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. *350. (a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of*

cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be not less than fourteen million five hundred thousand acres less a percentage thereof equal to the percentage of the farm acreage allotment used in determining set-aside requirements under section 103(e)(4) of the Agricultural Act of 1949, as amended.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment if a farm base acreage allotment was in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same

basis as to years and conditions as is applicable to the State under subsection (b): Provided, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for

which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted

to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years or any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland

cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: Provided, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e)

(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e)(1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators

nonrecourse loans for a term of one year from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the average world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment of such a loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secretary annually pursuant to a published regulation which shall specify the procedures and the factors to be used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the loan level for Middling one-

inch cotton at average location will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year: Provided, That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer),

and who is on a small farm (that is a farm on which the acreage allotment is ten acres or less, or on which the yield used in making payments times the acreage allotment is three thousand six hundred pounds or less, and for which the base acreage allotment has not been reduced under section 350 (f)) shall be increased by 30 per centum. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment

for the farm for the crop by the average yield established for the farm: Provided, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968 and 1969: Provided, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: Provided further, That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

"(4)(A) The Secretary shall provide for a set-aside of

cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm acreage allotment for the farm as may be specified by the Secretary (not to exceed 12½ per centum of the farm acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an average of cropland on the farm in addition to that required to be so devoted under subsection (e)(4)(1)(A). The land diversion payments for a farm shall be at such rate

or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton

and payments under this section shall be made available to the producers on such farm only if producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. The tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, and in no event shall it sell upland cotton owned or controlled by it at less than 110 per centum of the loan rate plus an allowance for carrying charges which will reflect commercial rates for storage, warehousing services and other handling costs, insurance, and interest at the prevailing rate charged by the Commodity Credit Corporation on cotton loans, and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "And provided, That for the 1971, 1972, and

1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"*(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton.*"

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89-321 (79 Stat. 1210) is amended as follows:

By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972,

and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

SEC. 610. The Commodity Credit Corporation, in furtherance of its powers and duties under subsections (e) and (f) of section 5 of the Commodity Credit Corporation Charter Act, shall, through the Cotton Board established under the Cotton Research and Promotion Act, and upon approval of the Secretary, enter into agreements with the contracting organization specified pursuant to section 7(g) of that Act for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs and programs to aid in the development of new and additional markets, marketing facilities and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings. Each year the amount available for such agreements shall be that portion of the funds (not exceeding $10,000,000) authorized to be made available to cooperators under the cotton program for such year but which is not paid to producers because of a statutory limitation on the amounts of such funds payable to any producer. No funds made available under this section shall be used for the purpose of influencing legislative action or general farm policy with respect to cotton.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking

the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

SEC. 702. Section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1732), is amended by inserting after the first sentence thereof a new sentence as follows: "The foregoing proviso shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities carried out with foreign currencies made available under title I of this Act which have as their purpose the expansion of export sales of United States agricultural commodities."

SEC. 703. (a) Section 104(b)(2) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "2 per centum" and inserting "5 per centum".

(b) Section 104(k)(1) of such Act is amended by inserting before the comma at the end thereof the following ", other than paragraph (2) of subsection (b)".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "SEC. 16(e)(1)".

(2) By inserting in the first sentence after "For the

purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,"; and by substituting "three-, five-, and ten-year periods" for "such period not to exceed ten years as he may determine".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "Provided, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The producer shall agree to permit access to the farm without other compensation, under terms and conditions established by the Secretary, by the general public for hunting, trapping, fishing, hiking, or other recreational use, subject to applicable

State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of productive agricultural land to non-crop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring productive agricultural land for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions determined by the Secretary to accomplish that the purpose of the program. The Secretary also is authorized to share the cost with State local governmental agencies and other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "The Secretary is authorized during any calendar year to enter into agreements under this subsection covering not to exceed six million acres plus the number of acres by which agreements in 1971 or 1972 covered less than six million acres."

(11) By striking out "June 30, 1963" in paragraph (7) and substituting "June 30, 1972".

(12) By inserting "farming opportunities and" preceding the words "interests of tenants and sharecroppers in paragraph (3)".

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 and subsequent crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

SEC. 804. (a) Notwithstanding any other provision of law, any producer who is participating in the feed grain program under title V of this Act, in the cotton program under title VI of this Act, or in the wheat program under title IV of the Act, shall, in any year in which an acreage diversion or set-aside program is in effect, under either such program in which such producer is participating, be permitted, subject to the conditions prescribed in subsection (b) of this section, to plant and harvest forage from an acreage on the farm equal to 25 per centum of the acreage on the farm diverted from production under such programs or twenty-five acres, whichever is greater.

(b) Any producer who elects to plant and harvest forage on diverted acreage must first agree not to use any forage harvested from such acreage unless authorized to do so by the Secretary.

(c) When any diverted acreage has been planted and harvested under authority of this section, the forage harvested therefrom shall be stored in sealed storage on the farm in accordance with such regulation as the Secretary may prescribe and shall be available for use during periods of emergency declared by the Secretary. In order to avoid deterioration of forage stored on the farm for emergency purposes pursuant to this section, the Secretary may permit such forage to be removed and used or sold from time to

time so long as an amount of forage equal to the amount removed is previously placed in storage and sealed.

(d) Any farmer who has forage stored on his farm for emergency purposes pursuant to this Act may remove such forage from storage and use it whenever the Secretary has (1) designated as an emergency area the area in which such farm is located, and (2) specifically authorized the use of emergency forage by farmers in the area.

(e) The Secretary of Agriculture is authorized to make or guarantee loans to farmers, both tenants and landowners, to assist such farmers in the construction of storage facilities on the farm for the storage of emergency forage pursuant to the provisions of this section if such farmers are unable to obtain loans from commercial sources at reasonable rates and on reasonable terms and conditions. Loans made by the Secretary under this subsection shall be made at the current rate of interest for periods not exceeding ten years, and on such other terms and conditions as the Secretary may prescribe.

FARMER ADJUSTMENT PROGRAM

SEC. 805. (a) For the purpose of providing a transitional program to assist low-income farmers engaged in producing cotton, wheat, or feed grains in making the necessary adjustments to nonagricultural pursuits and to provide opportunities for gainful employment, the Secretary of Agri-

culture is authorized to formulate and carry out a program during the calendar years 1971 through 1973 under which the Secretary may enter into an agreement with any farmer who, during the three-year period immediately preceding the year in which the agreement is entered into—

(1) had average gross annual sales of farm products of not more than $5,000; and

(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer).

(b) Agreements entered into under this section may include: (1) the surrender to the Secretary for permanent cancellation of acreage allotments and base acreages then under the control of the farmer in return for cash consideration in an amount determined to be appropriate by the Secretary; (2) adjustment assistance not to exceed $2,500 per year for a period not to exceed one year.

(c) The Secretary shall, in achieving the objectives of this section, arrange for utilization to the maximum extent possible of existing Federal and State programs designed to provide grants, loans, and other assistance which will further facilitate this adjustment program.

(d) The Secretary shall prescribe such regulations as he deems necessary to carry out the provisions of this title.

TITLE IX—RURAL DEVELOPMENT

SEC. 901. The Congress hereby finds that the technology responsible for the unrivaled abundance of American agriculture has also been largely responsible for the elimination of millions of farm-related jobs. Since 1940 an estimated twenty-five million displaced farm and rural residents have migrated, chiefly to metropolitan areas, primarily in search of new economic opportunities. Presently, 20 per centum of the adult urban population are former rural residents.

The Congress further finds that despite a slowdown in the peak migration of approximately one million people a year in the 1950's, movement of people from rural areas still continues at a high rate. By the year 2000 or soon thereafter, one hundred million more Americans will be added to the one hundred forty million already living in our cities and suburbs. Unless this Nation makes a commitment of sufficient magnitude to reverse the present trend toward excessive concentration of population, two hundred forty million people will be crowded together in four giant strip cities. Already, 70 per centum of our population lives on less than 2 per centum of our land.

The Congress further finds that the devastating consequences of the population shift are evident everywhere—in both urban and rural America. Countless rural communities, once thriving and prosperous, are facing social and

economic bankruptcy because too few residents remain to support essential public services and civic institutions. On the other hand, our large cities are facing gradual strangulation. Our giant cities are finding themselves increasingly unable to deal with the large influx of uneducated rural migrants who are ill-prepared for urban living. The congested traffic arteries, the pollution of the water and the air, the soaring crime rates, the housing blight, and the simple lack of adequate elbow room are rapidly making our larger cities unlivable as well as ungovernable.

The Congress further finds that the legislative program provided for herein is vital to American agriculture. If we are to continue to have a viable commercial agriculture, it will be necessary that we continue to support the price of certain commodities and that we have some control over surplus production. However, farm price-support programs can never provide an adequate standard of living for a large number of rural residents. Even a farm program providing 100 per centum parity for all crops would not provide a decent standard of living to farmers who are too old or too uneducated to adapt to the new farm technology, and to farmers who are unable to secure enough capital to build an efficient farming operation. No system of farm price supports can adequately provide for farm day laborers, migrant

workers, and sharecroppers who are displaced by the new technology.

The Congress is, therefore, committed to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

LOCATION OF FEDERAL FACILITIES

SEC. 902. In that it is the intent of Congress to minimize further impaction on already overcrowded metropolitan areas, Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations.

PLANNING ASSISTANCE

SEC. 903. Under authority of the Housing and Urban Development Act of 1968, the Department of Housing and

Urban Development and the Department of Agriculture are authorized to provide assistance to States planning for the development of rural multicounty areas not included in economically depressed areas. In enacting this legislation, the Congress made it clear that the purposes of the program was to help preserve and utilize our great human and economic investment in small towns and in less populous regions.

The Congress is deeply concerned that the key goals of these programs are not being met or even approached. It is, therefore, the purpose of this section to provide the Congress with information sufficient for it to determine whether the nonmetropolitan planning program is meeting certain national priorities and goals. The Secretary of the Department of Housing and Urban Development and the Secretary of Agriculture shall submit to the Congress a joint progress report regarding the operations of such program not later than September 1 of each fiscal year reflecting the efforts under such program during the immediately preceding fiscal year. The first such annual report shall be submitted not later than December 1, 1970, and shall cover the period beginning August 1, 1968, the date of enactment of the Housing and Urban Development Act of 1968, and ending June 30, 1970.

INFORMATION AND TECHNICAL ASSISTANCE

SEC. 904. Planning and development activities depend upon well-informed and well-educated community leaders and

citizens. Small communities and less populated areas often lack the resources and technical assistance necessary to insure that the level of their understanding and knowledge regarding planning and development activities is adequate. Since these ingredients are essential to the development of these areas, it is essential that the Congress evaluate the actions of the Department of Agriculture in providing such assistance, either through the Department of Agriculture or in cooperation with others. The Secretary of Agriculture shall submit to the Congress a report not later than September 1 of each fiscal year reflecting the efforts of the Department of Agriculture regarding the providing of information and technical assistance to small communities and less populated areas during the immediately preceding fiscal year. The first such annual report shall be submitted not later than December 1, 1970, covering the period beginning July 1, 1969, and ending June 30, 1970. The Secretary shall include in such reports to what extent technical assistance has been provided under other Federal programs and through land grant colleges and universities and through the Extension Service programs of the Department of Agriculture.

GOVERNMENT SERVICES

SEC. 905. In that adequate government services are essential for an acceptable quality of life in rural areas, highest priority must be given to extending to rural areas the same government services which are available to urban areas. The

Congress is especially concerned that rural communities be provided with adequate telephone services, adequate water and sewer systems, high quality medical care, and superior educational facilities. The President is requested to submit to the Congress a report not later than September 1 of each fiscal year stating the availability of these and other government services to rural areas and outlining efforts of the executive branch to improve these services during the immediately preceding fiscal year. The President is requested to submit the first such annual report, covering the fiscal year ending June 30, 1970, on or before December 1, 1970.

FINANCIAL ASSISTANCE REPORT

SEC. 906. Extensive revitalization of rural America will require special financial assistance and since such financial assistance is not available through normal credit channels, the President is requested to report to Congress on the possible utilization of the Farm Credit Administration and agencies in the Department of Agriculture to fulfill this financial assistance requirement. The President is requested to submit the report requested by this section on or before July 1, 1971, together with such recommendations for legislation as he deems appropriate.

Passed the House of Representatives August 5, 1970.

Attest: W. PAT JENNINGS,

Clerk.

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

[Report No. 91–1154]

AN ACT

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

AUGUST 6, 1970

Read twice and referred to the Committee on Agriculture and Forestry

AUGUST 28, 1970

Reported with an amendment

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of September 9, 1970
91st-2nd; No. 156

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HIGHLIGHTS: Sen. Smith offered amendment to farm bill.
Sen. Moss published his dairy import protest to Tariff Commission.
Rep. Conte criticized farm bill reported by Senate Committee.
Rep. Dingell inserted articles critical of USDA's stand on DDT and on biological control of insects.
Rep. Mahon included release highlighting July 1970 civilian personnel report.

HOUSE

1. FARM BILL. Rep. Conte expressed opposition to the proposed Agriculture Act of 1970 as reported by the Senate Committee on Agriculture, stating it was "loaded with goodies for special interests, especially for cotton", inserting articles in support of his position and a copy of the Secretary's letter of August 31 to Chairman Ellender. pp. H8471-3

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.
20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

2. REPORTS FILED. Committee on Education and Labor filed a report on H. R. 17555, with amendment, to further promote equal employment opportunities for American workers (H. Rept. 91-1434);

Committee on Ways and Means filed a report on H. R. 18970, to amend the tariff and trade laws of the United States (H. Rept. 91-1435);

Select Committee on Small Business filed a report on "Rural and Urban Problems of Small Businessmen" (H. Rept. 91-1436);

Committee on Interior and Insular Affairs filed reports on:

H. R. 12870, with amendments, to provide for the establishment of the King Range National Conservation Area in California (H. Rept. 91-1440);

H. R. 19007, designating certain lands as wilderness (H. Rept. 91-1441);

S. 719, with amendments, establishing a national mining and minerals policy (H. Rept. 91-1442);

S. 3777, authorizing the Secretary of the Interior to enter into contracts for the protection of public lands from fires, in advance of appropriations therefor, and to twice renew such contracts (H. Rept. 91-1443). pp. H8502-3

3. APPROPRIATIONS. Disagreed to Senate amendments to H. R. 16900, FY 71 Treasury and Post Office appropriation bill, and to H. R. 17575, FY 71 State, Justice, and Commerce appropriation bill. Conferees were appointed on both bills. pp. H8424-5; H8427

4. HEALTH BENEFITS. Agreed to return H. R. 16968, providing for increased Government contribution to Federal employees and annuitants health insurance costs, to the Senate, as requested. p. H8426

5. GOVERNMENT PAY. Passed H. R. 17809, with amendment, providing an equitable system for setting Federal blue collar workers pay. pp. H8426-50

6. POLLUTION. Rep. Vanik announced his intention of submitting an amendment to the Administration's tax proposals to impose an increased excise tax on polluting automobiles. p. H8476

Rep. Fallon placed in the Record an article by Arthur Godfrey, "Confessions of a Polluter", citing it as an example of an outstanding contribution to the fight against pollution. pp. H8478-80

7. RECLAMATION. Received a report from the Interior Department on the reclassification of lands in the Midvale Irrigation District of the Riverton project, Wyoming; to the Committee on Interior and Insular Affairs; and

Received a transmitting notification from the Interior Department on the receipt of a project proposal for the Graham-Curtis project of Safford, Ariz.; to the Committee on Interior and Insular Affairs. p. H8501

8. WILDLIFE. Received a publication from the Department of the Interior, "Handbook of Toxicity of Pesticides to Wildlife"; to the Committee on Merchant Marine and Fisheries. p. H8502

back of business establishments, or were simply overlooked.

Mr. Speaker, when an all-out effort adds only one-tenth of 1 percent of valid names to the official census count, I believe the census enumerators deserve congratulations. I am therefore inviting all the census enumerators in Huntington, W. Va., to be my guests at a tribute dinner. We hear too much criticism of Federal workers, and when Federal workers do a thorough and conscientious job they deserve praise as in this instance.

TREATMENT OF AMERICAN PRISONERS OF WAR

(Mr. ZION asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include certain letters.)

Mr. ZION. Mr. Speaker, I want to express my profound and sincere appreciation to the 405 Members of this House who signed the letter of protest to the Communist Government of North Vietnam. Your interest in demanding the provisions of the Geneva Conference pertaining to POW's was forcefully presented during a 1 hour and 45 minute discussion Mai Van Bo, the Delegate-General of North Vietnam to Paris.

Unfortunately he refused to accept the letter, saying that we, the duly elected Representatives of the overwhelming majority of the American people, did not in fact represent the true feelings of our people. He quoted a handful of our Nation's protesters whom he said supported the Communist invasion of the south. It is apparent that the freedom of speech in this country, which permits our people to take exception to the policies of our elected leaders is not understood in totalitarian societies. I submit at this point two letters which convey our contempt at their refusal:

HOTEL DE CRILLON,
Paris, August 26, 1970.

MR. MAI VAN BO,
Delegate General of North Vietnam,
Paris.

DEAR MR. BO: This is to thank you for taking the time to meet with me today.

I deeply regret that you refused to accept the letter that was signed by virtually the entire membership of the United States House of Representatives. I am mailing it to you nevertheless with the expectation that you will bring it to the attention of your government in Hanoi.

Our discussion today indicates that your government is not yet prepared to comply with your commitments to the provisions of the Geneva Convention with respect to treatment of prisoners of war.

My colleagues in both Houses of the United States Congress and the overwhelming majority of the American people want to see this subject discussed and settled in the immediate future. It is hoped that your government will soon be ready to handle prisoners of war in accordance with internationally accepted standards of civilized behavior.

Sincerely,

ROGER H. ZION,
Member of Congress,
The United States.

CONGRESS OF THE UNITED STATES,
Washington, D.C., September 1, 1970.

MR. MAI VAN BO,
Delegate General of North Vietnam,
Paris, France.

DEAR MR. BO: Again, this is in reference to the treatment of American prisoners of war held by your government—a subject discussed in my last visit in your office last week.

I would very much appreciate it if you would request some of your officials in North-Vietnam to provide me with identification of the men shown in the film which you gave to me during my visit. The film is of uneven quality, and hence positive identification of many of the men is difficult or impossible. This has only served to heighten the anxieties of the wives and families of these men. In this connection, a more positive identification of the men shown would be most helpful.

As you can see, the identification of these men is most difficult through such an unwieldy process. This points up the importance of a humane system of approaching the problem, such as that prescribed in the Geneva Convention.

Hopeful that you will see fit to accede to this request, I remain

Sincerely,

ROGER H. ZION,
Member of Congress,
Indiana's Eighth District.

I would say that our letter did, however, accomplish two singularly significant objectives. It helped me gain access to the previously closed chambers of the Communist delegation to Paris, and thus receive a movie film which is helping to identify Americans who have been listed as missing in action.

Secondly, it is a clear, loud signal to the people of the world, that the North Vietnamese refuse to provide the humane treatment of POW's that civilized nations have a right to expect.

As a result of your interest and your support, the world can now heap justifiable scorn on these criminals and join us in bringing pressure on them to provide the care and treatment for our men who are missing in action that universally accepted standards of decency and humanity demand.

THE COTTON INTERESTS

(Mr. CONTE asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. CONTE. Mr. Speaker, as we in the House return from our recess, there is a natural curiosity about what has been going on in the other body. I would not presume to assess how hard they have been working. One committee, however, has been working so hard that its achievement simply must be recognized. The Agriculture Committee has managed to put out a farm bill that is so loaded with goodies for the special interests, especially for cotton, that, as the Journal of Commerce said recently, it "must be read right through to be believed."

Time does not permit me here to detail its accomplishments. I will include some relevant details from press accounts at the close of my remarks as well as Secretary Hardin's views. Suffice it to say that its net effect would be to add more than $1,730,000,000 to Federal expenditure during fiscal 1971. It is not surprising that Secretary Hardin has labeled it unsatisfactory.

While it remains to be seen whether the other body will accept the handiwork of its committee, I think this development makes one fact crystal clear. The fact that the traditional opponents of all efforts to limit farm subsidies have now made a gesture in the direction of reform by supporting a $55,000 ceiling does not mean they have "gotten religion." The cotton interests and their legislative champions continue to feel they can do business as usual without regard to the interests of the consumer and the taxpayer.

I for one, Mr. Speaker, will rededicate myself to oppose them with all my energy.

The materials referred to follow:

[From the Journal of Commerce, Sept. 2, 1970]

FAILURE OF SENATORS TO CHALLENGE ELLENDER ON FARM BILL QUESTIONED

(By Muriel Allen)

WASHINGTON.—The failure of several key members of the Senate Agriculture Committee to challenge Chairman Sen. Allen Ellender's, D-La., position on new farm legislation has strong political overtones, some dating back to 1965 when current law was enacted. The result is one of the worst pieces of farm legislation ever considered by Congress, reliable observers said.

Even long-time farm bill observers on Capitol Hill were surprised at the way senators representing farm interests on the committee capitulated to Sen. Ellender's wishes. Chairman Ellender cut short a debate on substantive issues, regarding wheat, feed grains and cotton and refused to consult USDA officials on the possibility of conflicting language before he forced final approval of his preferred bill Friday afternoon.

The result is a bill that as one source put it "offends none of the individual producers and is no political liability for any committee members."

The Senate bill is not the market-oriented bill that the administration wanted and got for the most part in the House-approved version. Instead it is excessively producer-oriented despite the fact that many producers have expressed satisfaction with the Poage-Belcher-Hardin compromise bill worked out over 18 months on the House side.

The political implications of last week's events in the closed-door committee sessions go back to 1965 when Sen. Herman Talmadge, D-Ga., and other senators watching out for cotton interests, particularly Sen. James O. Eastland, D-Miss., and Sen. B. Everett Jordan, D-N.C., defeated Sen. Ellender's attempt to quash low-loan, direct payment cotton provisions.

UNUSUAL MOVE

In an unusual move, Sen. Talmadge introduced on the Senate floor a cotton amendment which was passed over the chairman's objections. The senators who opposed Mr. Ellender then were strangely quiet last Friday because times have changed.

Sen. Ellender is now in line to become the powerful chairman of the Senate Appropriations Committee for which he has been serving as acting chairman lately due to the ill-

ness of Sen. Richard Russell, D-Ga. Although Sen. Russell could retain that post until 1973, there is much Washington speculation that he will retire sooner due to poor health.

When Sen. Ellender moves up to that job, Sen. Talmadge is in line to become the next chairman of the Senate Agriculture Committee. In view of this, Sen. Talmadge was probably being especially careful last week not to cross the present chairman.

Undoubtedly, the Democratic senators also wanted to present a united partisan front to the administration in making an opposing stand.

The amendments offered in committee were not discussed sufficiently, committee sources said, and Sen. Ellender rejected some of them out of hand commenting that "I know about that, it's no good."

One disgruntled insider remarked about the chairman's single-minded insistence on his own undiluted cotton provisions that "he may have some loyalties but he's risen above them." This kind of feeling reflects the frustration over the nature of Senate bill which, because of its large-scale changes in House cotton provisions, will make a long conference between House and Senate inevitable to iron out the many differences.

In trying to satisfy all the warring agricultural factions—trade vs. growers, small vs. big growers, independent vs. cooperative growers, cooperative trade and independent trade, and exporters and domestic growers—the committe ultimately created a bill with no coherence according to committee sources.

The issue sure to be most debated when the bill returns to the House after Senate floor action and conference are the increased costs to the government it represents and the expanded benefits to the cotton industry where past government support has failed to stop declining markets.

[From the Journal of Commerce, Sept. 3, 1970]

THE FAILURE OF A COMMITTEE

The version of the farm bill approved last Friday by the Senate Agriculture Committee must be read right through to be believed. Perhaps because it adopts verbatim the $55,000 annual payment limitation voted by the House, Chairman Ellender didn't think anyone would bother to read it through. In that case it would not be discovered until too late how outrageously loaded it is in favor of cotton and against the taxpayer.

It might not be discovered, either, that what the committee proposed taking away from some cotton farmers by means of the annual payment limitation it also proposed giving back to them more or less surreptitiously via a series of changes in the Commodity Credit Corp.'s crop loan program. Just how much extra these changes would cost the taxpayer is problematical. The secretary of agriculture estimates $150 million. Some private estimates run higher.

On Monday Secretary Hardin wrote Senator Ellender that it was imperative to avoid loan levels that would entice farmers to produce for CCC instead of the market; that CCC loans should not be used as a device to hold cotton prices permanently well above the market and that U.S. cotton farmers generally should compete effectively in world markets. The committee's bill fails on all three of these counts.

It is, in fact, an open invitation to cotton farmers to forget competition, forget the market and produce primarily for CCC, which would be saddled with the responsibility for selling as best it could all the noncompetitive cotton it would be forced to accumulate under the nonrecourse loan program.

The committee bill also deals with the wheat program and feed grains, in which it departs somewhat from the House version and would extend the dairy, wool and Public Law 480 programs pretty much as they stand. Cotton is another matter.

In the case of this commodity the agriculture secretary would retain some discretionary powers in fixing the loan rate, allowing production increases and in other matters. Until it is known just how he is going to use this authority over the next three years, it is impossible to estimate just how much it all would cost. But within the trade itself there isn't much doubt of the bill's objectives. It is to force cotton prices up at the very time it is under heavy pressure from other fabrics.

One particular feature of this measure strikes us almost as ingenious. As matters stand now, the secretary can be expected to call in all CCC cotton loans on July 31, the end of the marketing year. Nothing in the House bill would change this. But something in the Senate bill would.

This is a stipulation that the secretary make nonrecourse loans to those covered by the program for a term of one year from the day of the month in which the loan is made. In other words, as interpreted by cotton experts, a farmer could harvest his crop in September, 1971, put the cotton in a warehouse in May or June of the following year and then leave it there until May or June of 1973 before CCC could acquire title to the cotton. And that isn't all. When CCC finally did take title it would owe the producer about 20 months storage and interest costs.

These costs are estimated at $20 to $25 per bale. But that isn't all either. Under this provision large numbers of cotton producers could elect to withhold their output from the market for the purpose of running up prices. If the stratagem worked, they could pay off their loans and reap whatever profit was available. If it failed they wouldn't even lose their storage and insurance costs. These would be met by the taxpayer.

Fortunately the issue is not yet settled. When a measure as important as the farm bill is as thoroughly bad as that approved by the Senate Agriculture Commission, there is always a fair chance that it will run into difficulty on the floor of the Senate itself. If this doesn't happen, it may be changed for the better in the Senate-House conference. And when two versions of the same bill differ as markedly as the cotton sections of the House and Senate committee bills, there is always a possibility of a further floor battle over the conference report.

Finally, if the final bill is as wretched a piece of legislation as that approved by Senator Ellender's committee, there is always the chance of a presidential veto. But we would consider it sad if this should become necessary, for that would mean a reversion to the pre-1965 program, also cotton-oriented. If it does, the administration must bear a fair amount of the blame. For the better part of two years it has seemed content to let congressional farm leaders "follow their own heads" in working out a comprehensive program, even though it did supply some guidelines.

Only within the past few months have President Nixon and Secretary Hardin shown much disposition to carry their battle for the relatively worthy features of the guidelines to Capitol Hill. Once in the fray, they have proved resolute and resourceful but whether they got into it too late remains to be seen. We hope not.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 31, 1970.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: The Agriculture Bill as reported by the Senate Committee is not satisfactory to the Administration. The Administration's position on farm legislation was related to the Senate Agriculture Committee in testimony before your committee on August 25, 1970. This testimony emphasized the need to move away from the present language which results in rigidity in pricing and acreage and to offer additional flexibility to producers in directing their individual farming operations. We feel it necessary to deemphasize rigid base acreages and allotments.

If producers are to be given a wider choice of crops within their acreages, it remains imperative to avoid loan levels that may entice the farmers to produce for Commodity Credit Corporation instead of the market. It is vitally important that Commodity Credit Corporation surpluses not accumulate. This additional flexibility is also needed to allow the U.S. farmer to compete effectively in world markets. In general, the flexibility in determining loan levels is needed to encourage exports and bring the desirable mix of crops as directed by the forces of the market. It is in the best interest of producers that loans be a method of obtaining credit and for the promotion of orderly marketing and that they not be used as a means of holding prices permanently and substantially above where the market determines they should be.

The requirement that producer payments for feed grains and wheat be made within 60 days after sign-up, instead of after compliance is assured, has the effect of raising costs in the 1971 fiscal year by approximately $1,730 million. These advance payments would constitute essentially a doubling of payments in fiscal year 1971 with no offsetting reduction in fiscal year 1972. This is contrary to our fiscal objectives and therefore, we must oppose the Agriculture Bill as reported by the Senate Committee. In addition, we have the following reasons for opposing the bill:

(1) Wheat:

(a) The provision in the Wheat Section which would retain the 1965 Act would restrict the freedom and flexibility of farmers to adjust their production patterns. The tying of payments to loan and parity levels bring about built-in prejudices favoring high and escalating loan levels.

(b) The provision requiring a minimum loan is inconsistent with the wheat producers best interest to remain competitive in the domestic feed and international export markets (with minimum export subsidies).

(c) The provision requiring advance payments of sixty days following the sign-up period requires a doubling of payments in one fiscal year and results in an unacceptable budgetary impact. The advance payment requirement for wheat would increase fiscal year 1971 costs by approximately $634 million. These payments would have to be made before compliance could be checked.

(d) There is presently sufficient legislative authority to attain corrective action on the importation of second clears and other wheat products, In addition, all of the items covered by the proposal are bound under provisions of GATT. The proposed legislative change would be in violation of the United States commitment.

(2) Feed Grains:

(a) The provision for the minimum loan is inconsistent with the Administration's position of maintaining maximum flexibility and may unduly encourage increased production in competing exporting countries. It may also contribute to an unsatisfactory balance between corn and soybeans.

(b) The advance payment requirement for feed grains would increase fiscal year 1971 cost by approximately $1,097 million.

(3) Cotton—Under the cotton section, there are several serious problems. Some of these are:

(a) Government's costs would be increased to unacceptable levels (about $150 million per year above the House bill). (See attachment.)

(b) A national allotment of 14.5 million acres with a minimum paying base percentage of 87.5 percent will produce sufficient cotton to meet all needs. This means that the additional acres provided for in the 25% additional provision will not be used. Thus, high-cost producers (and there are many of them in all areas of the Belt) will be induced to increase their cotton production from their share of 11.1 million acres in 1970 to their share of 12.7 million acres in 1971; at the same time efficient producers (and there are a few of them in almost all areas of the Belt) would be required to reduce their non-subsidized production from their share of approximately 6 million acres in 1970 to their share of 1.8 million acres in 1971 (35 percent of 17.1 in 1970 versus 12.5 percent of 14.5 for 1971). This means that the cotton industry cannot make the adjustments necessary to move toward a more viable economy but would in fact move backwards toward an almost completely government supported economy. In this respect, the Senate bill compares most unfavorably even with the Act of 1965. In contrast, the House bill would allow maximum freedom to produce for the market without subsidy. The government cannot spend this much money to save an industry and at the same time preclude freedom of action by those who will try to save it without being subsidized.

(c) The Senate bill retains marketing quota penalties while seeming to remove the effect of them in one section but bringing them back into play in another section if the Secretary is to prevent the accumulation of surplus cotton. Marketing quota penalties will forestall much-needed adjustment and, of course, will be completely unfair to those growers who are not able to realize the full benefits of the program because of the payment limitation.

(d) The Senate bill in many instances reduces the Secretary's authority to deal effectively with changing conditions and to carry out basic program procedures. Specifically, restrictive provisions have been added or retained in connection with the loan rate, lease and sale of allotments, the loan maturity date, and CCC carrying charges. Some of these restrictions preclude actions on the part of the Government and the industry to adjust to the competition of synthetic fibers and foreign cotton production, to let the market determine what crops and qualities are to be grown, and to permit changes to occur in planting, marketing and use patterns that are inhibited by Government payments and controls.

(e) A maximum set-aside percentage of 12.5% for cotton is too low. When comparing payment rates per acre for land set-aside under the cotton, feed grain and wheat titles, it becomes clear that the 33⅓% set-aside provided in the House bill is highly favorable to cotton producers. A lower maximum set-aside for cotton would increase government costs under the feed grain program because an additional 2 million acres would need to be diverted.

(f) The 30% increase in the cotton payment rate for small, low income farmers has much appeal on its face. However, the increased benefits could not be more than about $250 per year regardless of income and family size. We think that poverty in agriculture should be dealt with through the President's Family Assistance Plan now pending in the U.S. Senate.

We are authorized to state that the Office of Management and Budget concurs in our opposition to this bill as stated in this letter.

We have attempted to deal in this letter with the major issues and we will be happy to discuss them with you. There are a number of additional items that are also objectionable which we will submit to you if you should desire.

Sincerely,

CLIFFORD M. HARDIN,
Secretary.

UPLAND COTTON—PRODUCER PAYMENTS AND MAJOR EXPENDITURES, 1966–70, AND HOUSE AND SENATE VERSIONS OF AGRICULTURAL ACT OF 1970 FOR 1971

[In millions of dollars]

	1966	1967	1968	1969	1970	1971 House	1971 Senate
Producer payments	774	934	784	824	907	860	1,040
Value of production	980	938	1,197	1,024	1,131	1,143	1,085
Major net expenditures by the U.S. Government	357	305	1,077	1,012	1,006	1,092	1,243

THE REVENUE-SHARING PLAN

(Mr. BUTTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUTTON. Mr. Speaker, in recent months, a good deal of attention has been devoted to a phenomenon popularly known as the taxpayers' revolt.

It is most clearly recognized when evidenced by the periodic failure of some bond issues at the polls. School districts have found themselves the most frequent target, but they are by no means alone in the midst of a serious problem—a problem of how to provide the various services and programs needed by the people without escalating the already high tax burden on the average citizen.

A chief source of the problem, I am convinced, lies in the antiquated and generally unfair methods of tax collection that survive in our society. Through multiple levels of government various tax structures—and mechanisms for collection—prevail. Too much overlap exists—and too much waste. This revenue hodgepodge must be changed—it must updated to meet the pressing needs of today's society.

The importance of this issue is best measured in terms of studies showing the high cost of living as one of the chief issues on the minds of the people of this country. Of course, a key part of the inflationary spiral is the high cost of Government, especially of seemingly endless military spending.

In New York State, for example—and in this area in particular—city and county governments and school districts all find themselves approaching the constitutional taxing limit of their jurisdiction.

In my 29th District of New York, recent consideration of a 3-percent sales tax levy in Schenectady County focuses attention anew on this problem of dwindling tax resources.

This is not to say that taxing limits are not desirable. They are. But it does point to the pressing issue of how to maintain—and, in fact, to expand—municipal services to meet the increased needs of our growing population.

It is to this problem that I wish to direct attention now.

Over a year and a half ago, in a major address, President Nixon outlined his plans for "The New Federalism," a policymaking blueprint for the economy encompassing all levels of national life—Federal, State, and local. The key to that plan—as the President himself said—was a piece of legislation known as the Revenue Sharing Act of 1969, though, unfortunately, it was not enacted either that year or in 1970.

This legislation would shift part of the burden from the States and localities and redistribute tax levies more equitably. Under the plan, a certain percentage of Federal income tax collections would be transferred automatically each year to the States and on down to counties, towns, cities, villages, and special districts. One of my first legislative acts, when I arrived in Congress in 1967, was to join as a cosponsor of the first such legislative proposal.

As envisioned, virtually every unit of local government would be eligible to receive funds. The amount would be figured at one-sixth of 1 percent of the Federal tax base in fiscal 1971, rising to a full 1 percent in 1976. In 1975, for example, the total amount to New York State would be $543 million, with $32 million earmarked for local governments in this area. And at least one proposal heard in Congress would triple that amount in planned funding, with the additional possibility that even greater resources could be later transferred to the program if it proves successful.

This would represent a giant step toward solving the financial difficulties now faced by many local governmental bodies. At the same time, the pressure on the average taxpayer would be substantially relieved. Among the chief beneficiaries of such a move would be property owners, who have shouldered an inequitably high portion of the local tax burden for too long.

In many cases, property tax levels have already reached the limit. The problem however, is that local units of government are best able to meet the specific needs of an area for streets, sewage treatment, water, police protection—all the myriad and welcome municipal services.

New York State has a revenue-shar-

ing plan, enacted under the leadership of Governor Rockefeller, one of the initial authors of the revenue-sharing concept. Under this program, the State will share 21 percent of its personal income tax collections with local governments.

But the need is still great, even greater, for a companion Federal program to balance the fiscal responsibility among all levels of government. Governor Rockefeller has urged adoption of the Federal Revenue Sharing Act and has termed its passage of "critical importance to States and localities throughout the country."

It is time, then, to equalize the burden on a national level and give local governments greater responsibility for programing. The time is past when we can tolerate the counterproductive overlap inherent in the present system.

The revenue-sharing plan would effectively begin the process of eliminating unnecessary duplication. This would have the dual benefit of reducing bureaucratic inefficiencies, while returning to the local level a more effective control over programing to meet local needs.

We face a further complicating problem, however. The revenue-sharing program—the key to President Nixon's new federalism—has been stalled in Congress for almost 2 years.

Some 400 grant-in-aid programs are operated by the Federal Government for the presumed benefit of local government. Most are overregulated and underfunded, and the inexhaustible number of guidelines cause waste and frustration.

But instead of meeting the particular needs of each community or area, the regulations force local governments to engage professional programing and planning staffs to unravel the Federal bureaucracy and then make exhaustive cases for whatever Federal program comes closest to matching the need.

The inefficiency and waste inherent in such a system is evident. The solution would be enactment of a revenue-sharing program in which each local unit of government would be guaranteed an equitable share of the Federal tax dollar.

I have had drawn up a discharge petition which has been placed in the hands of the Clerk of the House, directing the Ways and Means Committee to report out the revenue-sharing bill for action by the full House of Representatives.

I am confident that the sentiment of the House favors positive action on this measure and I hope that without regard to partisanship my colleagues will sign the discharge petition forthwith so that there can be action on it in the remaining month of the 91st Congress.

I can only hope that the interests of the taxpayer will win out in this crucial battle. Victory will mean a major overhaul of our country's revenue system. To do less, I believe, would be the grossest irresponsibility, and a major threat to the economic well-being of the Nation.

ROGERS AND DINGELL INTRODUCE BILL TO AMEND ENVIRONMENTAL POLICY ACT

(Mr. ROGERS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROGERS of Florida. Mr. Speaker, the Army's announcement in late July of plans to transport and dump 418 nerve gas coffins into the Atlantic Ocean brought on substantial national and international outcry. We still do not entirely know what the consequences of the dumping may be on our population and marine life. Nor will we ever fully understand the severity of the potential dangers to our people of transporting the gas by rail through communities along the proposed route, although the operation was completed without mishap. There were simply too many questions left unanswered, and it was apparent that the course recommended by the Army was too hastily announced and inadequately coordinated with other Federal agencies, and interested State and local officials.

During the recent hearings before the Subcommittee on Oceanography of the House Committee on Merchant Marine and Fisheries on the plans of the Department of the Army to dump these poisonous gases, we learned that the Department had been negligent in its consultations with the Department of Health, Education, and Welfare, other Federal agencies, and the States and communities involved. The Army seemed to have forgotten that these other bodies had a stake in the implications of ocean dumping because of its potential effect on the public health, the environment, fish and wildlife resources, and our Nation's foreign relations.

Testimony at the subcommittee hearing revealed that a memorandum from the Atomic Energy Commission, stating that the nerve gas could be vaporized safely by an underground nuclear explosion at a cost of $4 million, had been placed under wraps by the Department of the Army when other governmental agencies and the Council on Environmental Quality were making their deliberations and recommendations on the matter. We strongly believe that these recommendations might have been different had these agencies been fully appraised of this alternate means of disposal. It is our firm belief that the National Environmental Policy Act of 1969, which was enacted as a result of legislation we introduced in the House of Representatives last year, was violated by the failure of the Department of the Army to make a full and timely disclosure of the facts to the Council on Environmental Quality, as well as to other Federal agencies, and to give prior full consideration to the environmental impact of the planned action.

Mr. Speaker, Mr. DINGELL, of Michigan, and I, joined by four distinguished colleagues, Mr. DOWNING, Mr. HANNA, Mr. ANNUNZIO, and Mr. MCCLOSKEY, are today introducing two bills to strengthen the National Environmental Policy Act so that future actions by Federal agencies that significantly affect the environment will be more closely coordinated with other Federal agencies having jurisdiction by law or special expertise with respect to any environmental impact involved. Both bills will specify that the Departments of the Interior, Health, Education, and Welfare, State, and the Council on Environmental Quality will all have an adequate opportunity to study an agency's proposed action and make comments and recommendations to be incorporated into the overall proposed operation.

As the Members will recall, the Army gave Congress, the State and local governments, and the rest of the Nation only a 10-day advance notice of their plans to dump nerve gas into the Atlantic Ocean. Ten days is simply not enough time to adequately study the potential impact of such an action on our environment and fish and wildlife resources. Our bills will require the responsible Federal official to give at least 120-days advance notice to the appropriate Federal agencies, to Congress, and to interested State and local officials. At that same time, comments and recommendations would be requested from these officials. Their observations and recommendations would then be returned to the responsible Federal official who would incorporate such recommendations into the environmental impact statements. Then, at least 60 days prior to the planned action, the responsible Federal official would be required to forward the impact statement to the Council on Environmental Quality, the Congress, and other interested Federal, State, and local officials for their further review and analysis.

This provision of our bills would serve to prevent any hasty deliberations of important decisions in the future such as that which we have just recently experienced with the nerve gas dumping. Furthermore, we are delighted to report that any recommendations made by the State, local, and Federal officials which are intended to minimize the impact on or enhance the quality of the environment, or to protect the fish and wildlife of the United States, would be required to be adopted and implemented by the responsible Federal official.

One of the bills will require the Secretary of Defense to develop adequate plans for the eventual disposition of munitions, chemical, biological, and radiological warfare agents, through demilitarization, detoxification, and decontamination procedures.

Lastly, one of the bills would provide for a complete prohibition of any future dumping of these warfare agents into the oceans and other navigable waters of the United States that present a danger to man, the environment, or to fish and wildlife.

Mr. Speaker, we feel certain that the bills we are introducing today will insure to the public that such an event as the nerve gas dumping episode will never occur again.

NATIONAL FAMILY WEEK

(Mr. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MYERS. Mr. Speaker, I am today introducing a resolution designating the fourth week of November as "National Family Week." I am proud that a num-

DIGEST of Congressional Proceedings

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OFFICE OF BUDGET AND FINANCE
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For actions of September 14, 1970
91st-2nd; No. 159

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HIGHLIGHTS: House passed wheat research and promotion bill.
Senate began consideration of farm bill.
Senate adopted House amendments to bill increasing Government contribution to cost of Federal employees health benefits.

SENATE

1. FARM BILL. Began consideration of HR 18546, the Agricultural Act of 1970; Sen. Ellender delivered a prepared statement on the purposes of the bill and various senators joined in discussing its provisions. Sen. Mondale discussed his Amendment No. 902. Time was allotted for debate and a vote on the legislation is expected on Tuesday. pp. S15332-3; S15340-49; S15361-75

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2. FEDERAL EMPLOYEE HEALTH BENEFITS. Agreed to House amendments to Senate amendmen to HR 16968, to provide that the Federal Government pay 40% of the cost of health insurance for Federal employees; this bill now goes to the President. p. S15251

3. LEGISLATIVE PROGRAM. Senators Scott and Mansfield reacted to the President's message on the legislative performance of the Congress; Mansfield placed in the Record a listing of the bills considered by the Senate. pp. S15270-1; S15304-20

4. GOVERNORS' CONFERENCE. Sen. Muskie submitted for the Record the "Policy Positions of the National Governors' Conference" and stated that they represent a strong consensus of thinking and attitudes among the elected chief executives of the Nation. pp. S15280-91

HOUSE

5. BILLS PASSED.

Sent to the Senate:

H.R. 13543, with amendment, establishing a wheat research and promotion program, pp. H8632-3;

H.R. 17455, authorizing the Administrator of GSA to enter into contracts for janitorial services, trash removal, and similar services in federally owned and leased properties for periods not to exceed 3 years, p. H8613;

S. 2208, with amendment, authorizing a study of the feasibility and desirablity of a national lakeshore on Lake Tahoe, p. H8615;

H.R. 18298, with amendment, to amend the Central Valley reclamation project to include the Black Butte project, p. H8624.

Cleared for the White House:

S. 3838, preventing the unauthorized manufacture and use of the anti-litter symbol "Johnny Horizon", pp. H8612-3;

S.J. Res. 67, granting consent to amendments creating the Potomac Valley Conservancy District and establishing the Interstate Commission on the Potomac River Basin, pp. H8615-20

6. PRESIDENTIAL MESSAGE. Received "A Call for Cooperation" from the President, urging action on legislative proposals submitted to the Congress by the White House (H. Doc. 91-381). pp. H8602-9

7. LEGISLATION. Received from the Civil Service Commission a draft of proposed legislation to permit immediate retirement of certain Federal employees; to the Committee on Post Office and Civil Service. p. H8690

broader scale, is there any reason why we ought to have a system which gives to any one group of voters a larger voice in determining who their President is going to be?

Mr. CHURCH. No. As I have said, I think this question transcends States' rights. This question reaches the fundamental rights of the people. I would find it hard to defend a system which gives greater weight to an American citizen's vote in Nevada, let us say, than in Maryland. This would be difficult to justify on any principle of democratic government of which I am aware. But the truth is that the present system actually does not work in favor of the small States. The argument itself is fallacious.

Mr. BAYH. Will the Senator yield just briefly? To be a bit more specific, on page 19 and continuing on page 20 of the committee hearings, there is a table introduced by our distinguished colleague from Nebraska (Mr. HRUSKA), which contains a great deal of discussion and mathematics about the impact of direct election on the voting strength of midland, Southwestern, and Southern States. This document goes on to say that 34 States and the District of Columbia would lose political power. Idaho is one of those States listed.

Mr. CHURCH. Yes, but the Senator from Idaho believes that, under a direct popular election of the President, States like Idaho would gain power, not lose power. Under the present system, the small States operate at a distinct disadvantage. The table to which the Senator refers presents no more than a purely mathematical calculation.

It is true, on the basis of this kind of calculation, that it can be demonstrated that the voters in a small State have a theoretical advantage over the voters in a large State. Fewer Alaskans are required to vote each of the three electoral votes of Alaska than New Yorkers in casting each of New York's 43 electoral votes. Therefore, it is argued that, mathematically, Alaskan voters have greater weight than New York voters, and that the present system, therefore, works in favor of the smaller States.

Theoretically, such an argument can be made. But in the world of practical politics, it is the reverse that turns out to be the case. Ever since political parties were established and the unit rule adopted, it has been the practice for all the electoral votes of a given State to be cast in favor of the presidential candidate who wins the popular vote of that State. Even though he wins it by a dozen popular votes, or by a single vote, all of the electoral votes are cast for the winning candidate.

The effect of this is perfectly clear. It did not take long for political parties to figure out that, in order to win a national election, it was mandatory to secure the support of the big States. A candidate can be elected President on the strength of the electoral votes cast by the 12 largest States.

Therefore, these States have inordinately large importance in a national election. Anyone who has regularly attended national conventions of either political party, as the Senator from Indiana well knows, comes to appreciate the tremendous influence exercised by the big States; the extent to which they dominate the various convention committees; the degree to which they control the drafting of the platform, and the extent to which they govern the choice of the party's candidate for President.

The reason is obvious. Both parties recognize that the big States must be carried, regardless of what happens in the other States. The big States must be carried because their electoral votes, bestowed in massive blocks, must be secured, if the party's candidate is to win.

Let us suppose that, in place of this system, we were to adopt a direct popular election of the President. How different the whole political climate at the national conventions would become. With a direct popular election, a candidate could lose New York, Pennsylvania, Illinois, and California. He could lose them by half a million votes, and still make up the difference in the sparsely populated intermountain West. So the importance of carrying the big States would no longer weigh so heavily in the consideration of our political parties.

Therefore, Mr. President, I believe the amendment before us would restore to the small State its proper position in the scheme of things, and it would take from the large State the inordinate amount of political power that such States actually exercise today by virtue of the unit rule in the electoral college.

Mr. BAYH. I appreciate the Senator's compelling argument as to why he, as a Senator from a less populous State, could in good conscience support such a plan.

After hearing the prepared speech and extemporaneous remarks of the Senator from Idaho, the Senator from Indiana feels that the Senator from Idaho might feel very much as the Senator from Indiana felt during the closing days of our hearings, when he heard the two last witnesses of the last day. One, a very eminently qualified man, suggested that the small States had an advantage; and the very next man, equally qualified, suggested that the large States had an advantage. The Senator from Indiana wondered why any State, any voter, should have an advantage. Everybody ought to be given an equal opportunity to determine his President, and the Senator from Idaho, of course, has stressed this most eloquently.

Mr. CHURCH. I certainly agree wholeheartedly. We ought not perpetuate a system that gives any advantage to one set of voters as against another. The smaller States, when the matter is measured in purely mathematical terms; though, when measured in practical political terms, it actually favors the large State over the small. Nevertheless, a system that places the election of the President in the hands of the people at large would give equal weight to the votes cast by all voters, which conforms with the democratic ideal.

If anyone has any doubts about how the present system tends to favor the large State over the small, just let him review the itineraries of our presidential candidates in recent elections and observe the extent to which their time and attention were given over to the large States of the country. That is proof enough of how the men who are actually running view the process, and fully corroborates what I have said about how the present system militates in favor of the large States of the country.

So, Mr. President, as one Member of the Senate representing a State of small population, I am happy to give my full endorsement and support to the pending constitutional amendment.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. ALLEN. The Senator has told us how he feels about Senate Joint Resolution 1. I believe that the pending question, however, is on agreeing to the amendment offered by the Senators from Michigan and Maryland. Would the Senator be good enough to state his position on the pending question?

Mr. CHURCH. Yes; my reference was, of course, to Senate Joint Resolution 1, which I support. My present intention is to vote against the amendment offered by the Senators from Michigan and Maryland.

Mr. ALLEN. I was also interested in the colloquy between the distinguished Senator from Idaho and the distinguished Senator from Indiana, pointing out that a successful candidate for President who may possibly have carried a majority of the electoral votes while being somewhat behind the defeated candidate in popular votes might suffer some credibility deterioration or depreciation on account of the failure to carry the popular vote. Yet, it is noted that under Senate Joint Resolution 1, a candidate can be elected by carrying as few as 40 percent of the popular vote, which would not seem to be a great deal of a mandate from the people—if he carried only 40 percent. Why not make it 50 percent and really get a mandate from the people?

Mr. CHURCH. The amendment merely takes into account the problem presented by third-party candidates. It attempts to draw a reasonable line where any candidate having 40 percent or more of the vote, having that large a plurality in a three-way contest, could take office without suffering serious disability. I think the 40-percent line is reasonable. I also favor the solution contained in the amendment, in the event that no candidate receives as much as 40 percent of the vote, because it would assure that in any runoff, the winning candidate would command a majority.

Mr. ALLEN. The distinguished Senator from Idaho has expressed himself as being apprehensive that the people's second choice in the presidential race might become President. Yet, does not the runoff provision give the people's second choice a very good possibility of becoming President?

I have just jotted down some suggested percentages. The distinguished Senator from Indiana spoke about what would have happened if a certain number of votes were shifted in this State and that State and the other. Let us assume that in a four-way race for the Presidency, the top candidate received 39 percent of

the vote, thereby guaranteeing a runoff; the next candidate received 21 percent; the next candidate received 20.5 percent; and the fourth candidate received 19.5 percent—adding up to 100 percent. Would it not be possible for this 21-percent candidate, by making trades with the other two losers to become President of the United States in the runoff, even though when the people were casting their first choice votes he received only 21 percent of the popular vote of the country? Would that not be possible, and would not the people thereby be choosing their second choice for the Presidency?

Mr. CHURCH. I remind the Senator that the final choice would be made by the people between the two candidates in any runoff election, and that the winning candidate would have to receive a majority of the votes. This is a practice, as the Senator well knows, that we often follow in State primary elections, in order to reduce a field of candidates to two opponents in a runoff. The people are well aware of this procedure. It is a democratic one. In the end, the two candidates receiving the highest number of votes run against one another in a final election, and the outcome of that election is determined by a majority.

Mr. ALLEN. By the way, when would that runoff election be held?

Mr. CHURCH. This is a matter that could be readily worked out by statutory implementation of the amendment.

Mr. ALLEN. It is not part of the amendment.

Mr. CHURCH. It would be a function of Congress to implement the amendment with appropriate legislation.

Mr. ALLEN. The 40-percent figure suggested for the winning candidate would certainly indicate, especially since Mr. Humphrey and Mr. Nixon each got 43 percent or so in 1968—and this amendment is said to be designed to prevent a repetition of what might have happened in 1968—that it must be the belief of the sponsors of the amendment that the amendment will result in a proliferation of third parties; or the figure, would not have been placed so low. Does the Senator anticipate, if Senate Joint Resolution 1 becomes part of the basic law of the land, that a number of splinter parties would run candidates for the presidency?

Mr. CHURCH. No; I do not think that would happen. I am inclined to believe that the present system encourages third-party candidacies. This figured publicly into the considerations which led Governor Wallace to run for the Presidency in 1968. He often commented on the fact that a third-party candidate, even one with little chance of winning the election outright, could nonetheless win sufficiently support to deny an electoral majority to either major candidate, thus throwing the final outcome of the election into the House of Representatives where, as the Senator knows, under the present Constitution, each State, regardless of its size or population, would cast one vote. So I would say to the Senator that, based upon the public record, it is the present system that tends to encourage third-party candidates.

Mr. ALLEN. Does the Senator not realize that for a third party candidate to have any effect or to be counted in the electoral college, he must receive the vote of at least one State, whereas in a direct election if he receives only 100,000 votes throughout the country, still it would be used as part of the overall figures in the election, and he would still be a part of computing what it took to make a majority. That is not true as a third party carrying no States at all under the present system. Would that not make the Senator feel that the present system discourages third parties rather than proliferating them?

Mr. CHURCH. I would say, with all respect to the Senator's argument, that weighing it in on one side of the scale, and weighing in the effect of the present electoral system on the other, I believe the present system has the heavier tendency to encourage third party candidates.

Mr. ALLEN. I should like to point out to the distinguished Senator that, under the present system, where a runoff would be if not certain, then very likely, would that not encourage the proliferation of third parties, because the electorate would be able to vote for the ideological third party of their choice, or the regional third party of their choice, in the first election, knowing full well that they would have an opportunity in the runoff to vote for one of the two major parties they wished to support, and would that not tend to encourage third or splinter parties?

Mr. CHURCH. Well, I can only repeat what I have said before to the Senator. I think there would be a lesser tendency toward third parties in a direct popular election of the President than under the electoral college system, for the reason that if a third-party candidate can secure enough electoral votes to throw the election itself into the House of Representatives, then that candidate, and those who support him, would achieve tremendous bargaining power since election in the House of Representatives is not weighted by population. Each State, large or small, casts a single vote, and thus the political struggle within the House would be subject to easier manipulation than any situation that might be presented under a direct-vote system. I conclude, for this reason, that greater inducement is given to third-party candidates under the existing electoral-college method of choosing a President than would be the case if the choice were left to the direct vote of the people.

Mr. ALLEN. He would have to carry one full State, though, to be effective in the electoral college; is that not correct?

Mr. CHURCH. That is correct.

Mr. ALLEN. Whereas in the direct popular vote, any number that he got would be sufficient. These third parties that might be formed under the direct system, would they be national third parties, would they file with some bureau in Washington to become candidates for the presidency—how would that be worked out? I think that the people would like to know these things when this amendment is submitted back to them for ratification.

Mr. CHURCH. The traditional methods for establishing political parties are not set aside by this amendment. They stay the same. In other words, they would be governed by State law. Third party candidacies would materialize and the names of third party candidates would be placed on the ballot, as is now the case.

Mr. ALLEN. The Senator realizes that the amendment gives Congress the right to prescribe uniform laws and regulations and procedures, and that Congress could pass a provision for a national board to conduct a national election, the whole country being only one precinct under the terms of Senate Joint Resolution 1.

Mr. CHURCH. I think that Congress can be entrusted with the responsibility of implementing the amendment in a reasonable way. After all, we are fully conscious of the political process in the country, and I doubt very much that Congress would intrude upon that process any further than absolutely necessary to secure the objectives of the amendment. Therefore, I am not concerned, as the Senator may be, that Congress would overreach itself in enacting legislation that would have any great disruptive effect in the various States.

Mr. ALLEN. I thank the distinguished Senator for the information he has given me on this subject.

Mr. CHURCH. I thank the Senator from Alabama for his questions.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CASE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE AGRICULTURAL ACT OF 1970—UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, later this afternoon the unfinished business will be laid aside, under the previous order, and the farm bill will be laid before the Senate. This will be done somewhere in the area of 4:30 o'clock between that time and 5.

After discussions with the able minority and majority leaders and the manager of the bill, Mr. ELLENDER, and with the Senator from Vermont (Mr. AIKEN), the Senator from North Dakota (Mr. YOUNG), and the Senator from Delaware (Mr. WILLIAMS), I make the following unanimous-consent request anent the farm bill, H.R. 18546: That time on each amendment be limited to one-half hour, the time to be equally divided between the mover of the amendment and the manager of the bill, with the exception of the Smith-Williams amendment dealing with limitation on price-support payments, the time on that amendment to be limited to 1 hour and a half, the time to be equally divided between the authors of that amendment and the manager of

the bill, and also with the exception of the Montoya amendment.

I am uable to state at this time any suggestion for time on the Montoya amendment. I would except that one for now and proceed with the unanimous-consent request to include 1 hour on the bill, the time to be equally divided between the manager of the bill, the Senator from Louisiana (Mr. ELLENDER), and the minority leader or his designee, with the further understanding that the time on the bill would not begin running until tomorrow when action is resumed on the farm bill in the evening session.

I think that about sums it up.

The PRESIDING OFFICER. The time on the Montoya amendment is not specified?

Mr. BYRD of West Virginia. The time on the Montoya amendment would be excepted at this point. The time on all other amendments, with the exception of the Smith-Williams amendment, would be limited to one-half hour, to be equally divided, but the time on the amendment to be offered by the Senators from Illinois (Mr. SMITH) and Delaware (Mr. WILLIAMS), respectively, would be limited to 1 hour and a half, the time to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, reserving the right to object, I would like to address a brief parliamentary inquiry. Does the Senator from Indiana correctly understand that the request made by our distinguished colleague from West Virginia puts a time curtain on each amendment, and on the bill itself, with the exception of the Montoya amendment?

The PRESIDING OFFICER. That is correct.

Mr. BAYH. Further reserving the right to object, Mr. President, the pending order of business is electoral reform, as all of us know. The Senator from Indiana and several others have been working on this particular measure for a number of years. It has been a subject of discussion in the Congressional Halls since the beginning of this session.

The Senator from Indiana, who is normally a reasonably tolerant Member of this body, who does not normally resort to some of the parliamentary rights available to each Senator, has nevertheless witnessed those rights used. I certainly do not criticize any Senator for using those rights, but I recognize that, if one Senator uses certain rights to the detriment of a bill, or to oppose that bill, then on occasion it is necessary for those who would otherwise disdain to use those rights, to work a counterbalance in order to let the Senate work its will.

Having seen at least one Member of this body delay for months the measure which is now before the Senate and to deny committee action on it, the Senator from Indiana would like to respectfully suggest that he does not intend to avail himself of the right to object to what he thinks is a very proper request by our acting leader, the distinguished Senator from West Virginia. But I think the Senate should be put on notice that those of us who feel there should be some basic reform in our electoral process might have to use a little fire to fight fire, if indeed a few individual Senators are going to take advantage of their parliamentary rights. Vote it up or down, but the Senator from Indiana feels it is the right of the Senate to speak on this measure before this session is over.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield, reserving the right to object?

Mr. BYRD of West Virginia. I yield.

Mr. WILLIAMS of Delaware. I join the Senator from Indiana in urging the Senate to go about its business, and I suggest the best way to do it is to sit down and stop talking and start voting this afternoon. I have nothing to say on it.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the order is entered.

Mr. BYRD of West Virginia subsequently said: Mr. President, I ask unanimous consent that the time on the amendment to be offered by the Senator from New Mexico (Mr. MONTOYA) to the farm bill be limited to 3 hours, the time to be equally divided between the author of the amendment (Mr. MONTOYA) and the manager of the bill (Mr. ELLENDER).

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

Ordered, That during the further consideration of H.R. 18546, an act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, debate on any amendment (except an amendment to be offered by the Senator from Illinois, Mr. Smith and the Senator from Delaware, Mr. Williams, which will be limited to 1½ hours, and an amendment by the Senator from New Mexico, Mr. Montoya which will be limited to 3 hours), motion, or appeal, except a motion to lay on the table, shall be limited to ½ hour, to be equally divide and controlled by the mover of any such amendment or motion and the manager of the bill, Mr. Ellender.

Ordered further, That on the question of final passage of the said bill, controlled debated (which shall be effective beginning tomorrow, Tuesday, September 15), shall be limited to 1 hour, to be equally divided and controlled, respectively, by Mr. Ellender and the minority leader or his designee.

Provided, That the manager of the bill and the minority leader, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. BYRD of West Virginia. Mr. President, I thank the Senator from Indiana and all other Senators who participated and cooperated in reaching this agreement.

Mr. BAYH. Mr. President, in response to the usually wise remarks of our distinguished colleague from Delaware, the Senator from Indiana would like to suggest that some time in the next few minutes he would like to pursue, after consultation with a few Senators present and some who are not present. We have these interrogatories still out as far as long-distance calls from a couple of our brothers who are unfortunately not able to be with us for personal reasons are concerned; but I would like to propose a unanimous-consent request to do just what the Senator suggests. I wish that it were feasible to deal with a unanimous-consent request such as he specifically mentioned; namely, to start to vote today.

After touching a few bases, the Senator from Indiana is persuaded that that would be the right thing to do, but it is not within the realm of possibility. However, I hope we can pursue one or two requests that might enable us at least to start voting early this week.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield further?

Mr. BAYH. I yield.

Mr. WILLIAMS of Delaware. Do I correctly understand that when the acting majority leader decides to move to the farm bill, there will be a live quorum call to notify Senators of that fact?

Mr. BYRD of West Virginia. Mr. President, with that suggestion in mind, I think attachés should get word out to Senators on both sides of the aisle that there will be a live quorum today when the Senate proceeds to the consideration of the farm bill, at approximately 4:30 p.m.

RECESS

Mr. BYRD of West Virginia. Mr. President, I move that the Senate stand in recess subject to the call of the Chair, with the understanding that the recess not extend beyond 3 p.m. today.

The motion was agreed to; and at 2:40 p.m., the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 2:50 p.m. when called to order by the Presiding Officer (Mr. CASE).

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 16968) to increase the contribution by the Federal Government to the cost of health benefits insurance, and for other purposes, and it was signed by the Acting President pro tempore (Mr. METCALF).

THE FUELS CRISIS IN THE UNITED STATES

Mr. BYRD of West Virginia. Mr. President, as a Senator from West Virginia, I have been extremely interested in the recent rash of stories on the energy shortage. Suddenly, the metropolitan newspapers and the national news magazines have discovered that we stand in grave danger of running short of electric power, and that many of our fuels are in short supply. In other words, the abundant supplies of low-cost energy which have made this Nation great are suddenly becoming neither so abundant nor so low cost.

I am particularly interested, as I have

said, because West Virginia is a leading coal producing State in the Nation. And some of the biggest users of power—most notably the Tennessee Valley Authority—are suddenly making the coal industry a whipping boy for the shortage of power.

Mr. President, the coal industry has been warning for years that a fuel shortage was impending. It has said that shortsighted policies of Government and some of the major fuel consuming industries were heading the Nation for trouble. Now that the crisis is upon us, to attempt to blame it all on the coal industry does not make sense.

The real question, however, is not how we got into this mess but how we get out. We look at how we got here only as a guide toward the exit. But I think it is clear that to have any permanent solution to the problem is going to require some drastic policy changes. All the common fuels are in short supply—oil, natural gas, and coal; that is to say, they are in short supply for the consumer—delivered where he wants them. But when we come to reserves, there is a difference between the fuels. Proved reserves of petroleum and natural gas in this country are alarmingly low, but the reserves of coal are enormous. The problem with coal is a shortage of productive capacity, coupled with a shortage of rail cars to haul coal to market.

Nevertheless, the shortage is likely to continue for a long time, quite probably for the rest of this century, unless we have some new strata of cost. Energy has been one of the low-cost items in the American economy. The energy shortage can be solved, but adequate supplies are going to cost more than they have in the past.

I am particularly interested in the fuel shortage as a Senator from West Virginia because it is most acute in fuel for the electric utility industry, and because that fuel is principally coal. Coal generates about half of all the electricity in this country.

Mr. SAXBE. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. SAXBE. Would the Senator care to comment on the charges made that one of the reasons for this power shortage is that so much of our coal from West Virginia and the rest of the coal area is going to export and that if so much of this coal were not taken advantage of by increased prices they could get at export, we would not have this shortage and that perhaps the exports should be curtailed, so that we would be guaranteed coal supplies? In other words, if they are not permitted to renege on some of these contracts—which I understand there is some talk of—it will become increasingly more difficult.

Mr. BYRD of West Virginia. Mr. President, the Senator has raised a very incisive and pertinent question. If he will allow me, I do intend a little later in my prepared statement to address some remarks to this very question.

Coal is in short supply now, but the coal industry is guardedly optimistic about the rest of this year. It believes it can produce enough coal to meet the forecast demand for the rest of the year if it encounters no further trouble. This means if there are no more work stoppages in the mines, if there is no railroad strike, and if bad weather does not interrupt the production. Output so far this year is running ahead of 1969, and may be able to keep pace with demand.

The industry devoutly hopes it will be lucky enough to do this. However, I want to discuss some other solutions to the problem of fuel shortage, first, I wish to talk about some short-term problems and possible solutions to them. And by short-term, I mean assuring an adequate supply of coal in the coming year.

If the coal industry is not fortunate enough to meet the demands upon it, there will be increasing clamor from the public and in the Halls of Congress for the Government to step in and see that essential customers, such as electric utilities, have adequate coal supplies. The Government cannot permit defense installations to shut down nor the economy to be greatly slowed for lack of coal, when the United States is sending coal to customers abroad. On the other hand, we must be sure that we do not confuse the complaints of those who cannot get coal with the cries of those who cannot get coal at the price they are willing to pay for it. I know that the coal industry is doing all it can in cooperation with the Government to see that defense contractors and defense installations have adequate coal supplies. Before adopting stronger solutions, the Government should be sure they are really necessary.

We have already heard demands from some consumers that the Government restrict exports in order to assure more coal for domestic use. This is to the question which has just been raised by the able and distinguished Senator from Ohio. Not all of these demands are realistic. Three-quarters of the coal the United States sends to other countries is premium quality metallurgical coal, much of it from West Virginia. This is high-priced coal for a specialized purpose, and utilities are generally reluctant to pay metallurgical coal prices for boiler fuel. Not all of them have equipment that can burn that kind of coal, because their furnaces may have been deliberately designed to burn lower quality coal, which is lower in cost.

There is another consideration when we speak of Government intervention to reduce exports. Much of the coal being exported has been sold on valid long-term contracts. If the Government of the United States breaks these contracts by fiat, I think we can say farewell to the export market, which contributes more than half a billion dollars a year to our balance of payments and helps sustain the economy of much of the free world. Therefore, if the day should come when we must think seriously of restrictions on coal exports, those restrictions should apply first to shipments which have diverted from traditional markets to the export trade.

It is ironical that many of the persons who are now attacking the coal industry for not producing enough coal for electric utilities were only a few months ago attacking the utilities for burning coal, because they said it caused air pollution. It is unfortunately true that the kinds of coal which are low in sulfur content are also most prized for steelmaking and are high in price and least abundant. If producing coal enough to meet all the Nation's demands for it is difficult, it is fairly impossible to fill all those demands with low sulfur coal to meet strict air pollution control standards. However, this does not mean we must forever make a choice between electric power and clean air. Processes are being perfected to take the sulfur out of the stacks of coal-burning powerplants. Pilot installations are now being installed, and most authorities believe that in 2 or 3 years these facilities will be commercially acceptable. The administration has recently and wisely decided to share in the funding of some of these large-scale demonstration plants. I think it will not be too long before utilities are able to install sulfur removal equipment and burn high sulfur coal well within the limits of our pollution control regulations. But that day is not at hand here in the late summer of 1970. And if low sulfur coal is scarce, so is low sulfur oil. And natural gas is in such short supply that some utilities, such as Commonwealth Edison in Chicago, are already having to substitute coal for the gas they would normally burn.

Meanwhile, Federal, State, and local governments have been imposing restrictions on sulfur emissions from powerplants and on the sulfur content of fuels. I suggest that it may be time for government at all levels to consider a temporary readjustment of these severe restrictions until equipment to remove sulfur from the stack gases is commercially acceptable and available. I am not suggesting that we abandon the clean air act, but I am suggesting that we pay some mind also to the prospect of power brownouts and blackouts. I think as a matter of national policy we may have to thread our way between these two demands until the equipment is available.

I think we in Congress must face up to the fact that our passage of the Federal Coal Mine Health and Safety Act last year has had some effect on coal production and on the cost of mining. The bill may have an even greater impact when the rigid limits on respirable dust in coal mines take full effect and are lowered still further.

All social legislation has a price tag, and this may be the price we must pay for adequate protection for the health and safety of coal miners. We must never put production and cost ahead of health and safety. Responsible coal operators do not wish to do so, and, of course, Congress does not wish to do so. On the other hand, I think we have a responsibility to keep an eye on the enforcement of the act and if it begins to seriously inhibit production we have a duty to re-examine it, in the light of experience, to see if the health and safety of miners can be as adequately protected by measures that will not inhibit production.

Still another factor in the coal shortage is a shortage of railway cars on some lines. Mr. President, the railroads are short of coal cars for the same reason that the coal industry is lacking in excess productive capacity and the electric

the infamous runoff provision contained in Senate Joint Resolution 1.

Mr. President, I am delighted to yield to the distinguished Senator from North Carolina for a question or for comments, provided I do not lose my right to the floor.

Mr. ERVIN. Mr. President, does not the Senator from Alabama agree with the Senator from North Carolina that the Griffin-Tydings amendment has some of the manifestations of intellectual schizophrenia?

Mr. ALLEN. The Senator is correct. It has three different things grouped together.

Mr. ERVIN. In order words, we would have, first, the popular election.

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. Mr. President, instead of the proponents sticking to the popular election throughout, where they have to provide population, they forthwith flee from the population matter to what is presently in the electoral college system.

Mr. ALLEN. In effect, the Senator is correct.

Mr. ERVIN. And then they flee from the disguised form of the present electoral system to the selection by Congress, the two Houses sitting together.

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. Is there anything contained in either Senate Joint Resolution 1 or the Griffin-Tydings amendment to Senate Joint Resolution 1 which specifies who will determine what candidates for President and Vice President would have to be joined together on the ticket, having received 40 percent or more of the popular vote?

Mr. ALLEN. There is not. Both measures are as silent as a tomb on that point.

Mr. ERVIN. Mr. President, does not the Senator think that is a very grave omission, because it is just as important to determine who has been elected President as it is to vote for a President?

Mr. ALLEN. That is true. The Senator is correct.

Mr. ERVIN. Mr. President, as far as Senate Joint Resolution 1 declares and as far as the Griffin-Tydings amendment declares, both proposals leave somewhere in the womb of uncertain future any provision for determining who got elected President or whether anyone was elected President by the popular vote system.

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. The present Constitution in amendment 12 prescribes a specific method by which is to be determined who is elected President, and it provides that the returns in each State shall be certified and sent to the President of the Senate and sent to the seat of the government and that when Congress convenes in joint session, the Congress thus determines who has the majority of the electoral votes, and who, as a consequence, is elected President and who has the majority of votes for Vice President and who is elected Vice President.

Mr. ALLEN. The Senator is correct. And that system has worked mighty well.

Mr. ERVIN. Mr. President, as far as Senate Joint Resolution 1 or the proposed Griffin-Tydings amendment to Senate Joint Resolution 1 are concerned, they make absolutely no provision for determining whether anyone has received 40 percent or more of the popular vote for President and Vice President. They leave that matter to be determined at some future time by some act of Congress.

Mr. ALLEN. The Senator is correct. They do. They do provide for election by 40 percent. They nail that down in the Constitution. They nail the runoff provision down in the Constitution. The two most undesirable features of the entire measure are written into the basic law of the land.

Mr. ERVIN. And then it leaves for the future the determination of how we determine that. It says:

> The Congress shall prescribe by law the time, place, and manner in which the results of such elections shall be ascertained and declared.

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. Mr. President, if Congress does not act, we could have court proceedings either under Senate Joint Resolution 1 or under he Griffin-Tydings amendment to Senate Joint Resolution 1, if we have a controversy respecting the vote, in every precinct in the United States, which could be carried into the courts.

Mr. ALLEN. That is certainly true.

Mr. ERVIN. Mr. President, if my memory serves me correctly, it seems to me that there are 184,000 election precincts in the United States.

Mr. ALLEN. Mr. President, I have seen that number suggested, yes, sir.

Mr. ERVIN. So we have a possibility of controversies resulting in lawsuits in State courts and Federal courts involving the question of how the votes were cast in as many as 184,000 electoral precincts.

Mr. ALLEN. That is certainly true.

Mr. ERVIN. Does that not indicate the real, serious problem which Senate Joint Resolution 1 presents both in its original form and in the form in which it would be if the pending amendment were added to it. That is, they convert entirely in Senate Joint Resolution 1 and as a first step in the amendment the 184,000 election precincts under the presently existing 50 States and the District of Columbia into one great big single election precinct.

Mr. ALLEN. That is true. Yes, sir. One of the beauties of the present plan is that the votes in each State are isolated and insulated. If there are any irregularities they can be settled and handled on a State basis rather than, as the Senator has said, to throw into consideration and into the contest the votes in 184,000 precincts.

Mr. ERVIN. All this is being done, according to the first provision of the pending amendment, for the avowed purpose of allowing the man who gets the most votes to be President of the United States.

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. I ask the Senator if the history of the United States does not show that the candidate receiving the largest popular vote for President has been elected in every election this country has had with the exception of the election in which Grover Cleveland was the Democratic candidate for the second time, and when he was confronting Benjamin L. Harrison, and if it did not happen that he received 100,000 less popular votes but more electoral votes.

Mr. ALLEN. I understood from the Senator that that was his understanding. Of course, that leaves out the contests of 1824 and 1876. I would be happy if the Senator would give his views on those two instances.

Mr. ERVIN. It was not until after the election of 1824, if I recall correctly, that all States had popular elections.

Mr. ALLEN. Yes. New York at that time had electors chosen by the State legislature, which they have a right to do since this provision is in the Constitution.

Mr. ERVIN. Is it not true that in the early days of the Republic many States had their presidential electors chosen by the State legislature rather than by popular vote within the State?

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. So the answer implied to the question I put to the Senator from Alabama a moment ago is that in every case the States went fully to popular election of presidential electors; that in every election since that time the candidate receiving the largest popular vote was elected by the electoral college system, except in the case of Grover Cleveland.

Mr. ALLEN. As has already been suggested, in 1876 the Tilden-Hayes election by hijinks went to an electoral commission.

Mr. ERVIN. I ask the Senator from Alabama if these words—

> The Congress shall prescribe by law the time, place, and manner in which the results of such elections shall be ascertained and declared—

Do not make it constitutional for a partisan Congress to emulate the example of New York which, in effect, stole the 1876 election from Samuel Tilden, the Democratic candidate and gave it to Rutherford B. Hayes, the Republican candidate.

Mr. ALLEN. Yes, it would leave that door open. It should be nailed down in the Constitution, as the Senator from North Carolina pointed out is the case now under the 12th amendment under which we are still operating.

Mr. ERVIN. The Senator from Alabama recalls, does he not, that after the 1876 election Congress provided that the determination of the question of whether Tilden or Hayes had a majority of votes should be determined by a commission which Congress created.

Mr. ALLEN. Yes, sir.

Mr. ERVIN. And which Congress took pains to see had a majority of at least one which belonged to the majority party which controlled Congress.

Mr. ALLEN. The Senator is correct, and they voted 8 to 7 along party lines.

Mr. ERVIN. And in so doing they apparently disregarded testimony they took with respect to the election in the State of Louisiana and the evidence relating to the election in the State of Florida.

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. So we have here in Senate Joint Resolution 1, which is submitted by Congress to the States and rati-

fied by a requisite number of States, an instance where we would make it constitutional for a partisan majority in Congress—I started to say pilfer but that is too mild a form of larcency for such a thing as stealing a presidential election—which enables them to establish a system under which a majority of Congress could thwart the will of the people and declare a man to be President who receives less than the popular vote to be President and at the same time prescribe there can be no inquiry to determine the accuracy of their decision.

Mr. ALLEN. Yes, sir.

Mr. ERVIN. In addition to authorizing such chicanery on the part of Congress, Senate Joint Resolution 1 and the first stage of the Griffin-Tydings amendment converts the entire United States into one election precinct.

Mr. ALLEN. It certainly does.

Mr. ERVIN. And makes it crucial, or makes it possible to have a contest as to whether the votes were irregularly cast and whether there was fraud or corruption, or a miscount in 184,000 different election precincts.

Mr. ALLEN. It would be a monumental task just to recount without any allegation of fraud, but just to recount the votes would be a monumental task.

Mr. ERVIN. Does the Senator recall that the election of 1960 and the election of 1968 were exceedingly close and that considering the magnitude of the number of votes cast, for all practical purposes just a mathematical percentage separated the winner from the loser.

Mr. ALLEN. That is all.

Mr. ERVIN. Does not the Senator from Alabama infer from that there is a possibility, a real possibility, that under Senate Joint Resolution 1, and also under the first step described in the pending amendment, that it might possibly be months and months or even years before it could be determined who, if anyone, received 40 percent of the votes.

Mr. ALLEN. The Senator is correct. It very well could be.

Mr. ERVIN. Does the Senator from Alabama agree with the Senator from North Carolina that the proponents of the pending amendment are not willing to abide by the old adage that we should make everything fish, fowl, or red herring and, therefore, they offer three alternative methods of selecting the President?

Mr. ALLEN. They have. They have given us our choice. Let us take the second choice, which is the electoral college.

Mr. ERVIN. If the electoral college is a sufficient criterion to determine the question when a controversy arises as to whether a candidate received 40 percent of the popular vote, does not the Senator think it would be well for us to abide by the old ship and sail these troubled seas without confusing the situation further?

Mr. ALLEN. I thank the distinguished Senator.

Mr. ERVIN. I thank the distinguished Senator from Alabama.

Mr. ALLEN. Mr. President, I have a prepared address on this subject that I did not get around to using, for the distinguished Senator from West Virginia has called my attention to the fact that at this time we are supposed to have the farm bill laid before the Senate. With the thought in mind that an opportunity may present itself later to make use of the prepared address that I have, I will yield the floor to the distinguished Senator from West Virginia for the purpose to which I have alluded.

Mr. ERVIN. Mr. President, I would would like to suggest to the Senator from Alabama that before he does that, he make a unanimous-consent request to the Senate that the remarks he has thus far made shall not count as a separate speech on the issue before the Senate, but the subsequent remarks on this subject by the Senator from Alabama shall be counted as the first speech.

Mr. ALLEN. Mr. President, I ask the unanimous consent that the continuation of my remarks at a later time in conjunction with these remarks be considered as one speech, inasmuch as I have yielded the floor at the request of the acting majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER SETTING ASIDE THE PENDING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that it remain in that status until the close of morning business tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING REPORT ON CONSUMER PROTECTION ACT OF 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time for reporting S. 3201, the "Consumer Protection Act of 1969," which was referred to the Judiciary Committee and was supposed to have been reported today, be extended up to and including Friday, September 18, 1970. I do this, as I recall, with the full knowledge and consent of the chairman of the Committee on Commerce (Mr. MAGNUSON), who is unable to be here today. It is my understanding that before that time, contact will be made with the Senator from Washington (Mr. MAGNUSON) and the Senator from New Hampshire (Mr. COTTON), ranking Republican member of the Commerce Committee.

The PRESIDING OFFICER. Without objection, the time will be so extended.

AGRICULTURAL ACT OF 1970

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1172, H.R. 18546.

The PRESIDING OFFICER. The bill will be stated by title.

The title of the bill was read, as follows: H.R. 18546, a bill to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: Provided, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk; which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or clas-

sifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketing, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall ninety days later be provided with respect to milk delivered under he order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order during the representative period on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): Provided, that bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all producers. Notwithstanding the provisions of section 8c (12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

"In the administration of this section 8c(5) after the enactment of the Agricultural Act of 1970, the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders that was maintained prior to such enactment."

(b) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 13, 1971.

(c) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, 1973.".

(b) The first sentence of section 1 of said Act is amended by inserting "and manufacturers of dairy products" after "dairy farmers", and by inserting "or dairy products" after "their milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.".

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "Provided further, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: *Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis."

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 400. Subtitle A of this title shall be effective for the 1971 crop of wheat. The Secretary shall conduct a referendum, by secret ballot, of farmers to determine whether for the 1972 and 1973 crops of wheat they favor the program provided for by subtitle A or the program provided for by subtitle B. Any producer who has a farm acreage allotment shall be eligible to vote in such referendum. The Secretary shall proclaim the results of such referendum within thirty days after the date of such referendum and if the Secretary determines that the program provided for by subtitle B is favored by

(i) a majority of the producers voting in such referendum, and

(ii) the producers of more than 50 per centum of the wheat produced by producers voting in the referendum during the most recent calendar year for which production records are available.

subtitle B shall be effective for the 1972 and 1973 crops of wheat. Otherwise subtitle A shall be effective for the 1972 and 1973 crops.

Subtitle A—Program Similar to 1970 Program

SEC. 401. (a) The Food and Agriculture Act of 1965, as amended, is amended—

(1) by deleting "through 1970 crops" wherever it appears in section 506 and substituting "through 1973 crops";

(2) by deleting "years 1966 through 1970" wherever it appears in sections 501 and 502 and substituting "years 1966 through 1973";

(3) by deleting "in the calendar years 1964 through 1970" in section 501 and substituting "in the calendar years 1964 through 1973";

(4) by deleting "through 1970" in section 505 and substituting "through 1973";

(5) by deleting "years 1967 through 1970" and substituting "years 1967 through 1973" in section 506;

(6) by deleting "through the 1970" and substituting "through the 1973" in section 516.

(b) Section 107(1)(b) of the Agricultural Act of 1949, as effective through the 1973 crop, is amended by inserting after "not in excess of the parity price therefor" the following: "nor less than $1.25 per bushel".

(c) Price support loans with respect to the 1971 through 1973 crops of wheat shall be made available on wheat stored on the farm where produced, and price support loans on wheat of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for wheat.

(d) The Secretary shall advance to pro-

ducers, within sixty days following signup for the 1971 wheat program, an amount equal to not less than 50 per centum of

(i) the Secretary's estimate of the face value of certificates to be issued under section 379c(a) of the Agricultural Adjustment Act of 1938 with respect to the 1971 crop of wheat (to be repaid through the withholding of certificates for such crop having a face value equal to such advance), and

(ii) the payments to become due under section 339 of such Act with respect to such wheat.

Subtitle B—Set-Aside Program

SEC. 402. Effective only with respect to the 1972 and 1973 crops of wheat and only if this subtitle is effective with respect to such crops, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at such level, not in excess of the parity price therefor nor less than $1.25 per bushel, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

"(c) Price support loans with respect to the 1972 and 1973 crops of wheat shall be made available on wheat stored on the farm where produced, and price support loans on wheat of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for wheat."

SEC. 403. Effective only with respect to the 1972 and 1973 crops of wheat and only if this subtitle is effective with respect to such crops, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1972 and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an average of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary (not to exceed 75 per centume of such allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1972 and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, platago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community. The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within sixty days following signup for the program.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determine to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall advance to producers, within sixty days following signup for the program, an amount equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined is less than the advance, the difference shall not be required to be repaid.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1972 crop, on the basis of the apportionment of the national acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1972 crop, on the basis of the apportionment of the wheat acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration establish crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1972 crop, among farms in the county which had a wheat acreage allotment for the 1971 crop), on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1972 crop, to farms which had no acreage allotment for the 1971 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a quarantine imposed by the county, State, or Federal Government shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b) (1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

Subtitle C—General

SEC. 404. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by inserting a comma in lieu of the period at the end of the first sentence of section 379d(b) and adding the following: "and (iii) all persons processing or using any flour second clears, gluten or other products or byproducts of wheat for which domestic marketing certificates have not been acquired in the commercial production of food products for human consumption shall, prior to the marketing or the removing of such product for sale or consumption, acquire domestic wheat marketing certificates equivalent to the number of bushels of wheat required to produce or used in the production of the flour second clears, gluten or other product or byproduct used in the production of, or ingredient in, such food product."

(3) by adding at the end of section 379d (b) the following:

"Notwithstanding the foregoing, the Secretary is authorized, if subtitle B of title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1972, and ending June 30, 1974.

(4) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, if subtitle B of the title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1972 and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 405. Effective only with respect to (i) the 1972 and 1973 crops of wheat and only to such crops if subtitle B of this title is effective with respect to such crops and (ii) the 1971, 1972, and 1973 crops of feed grains, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1972 and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 406. Effective only with respect to the 1972 and 1973 crops of wheat, and only if subtitle B of this title is effective with respect to such crops, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended," and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 407. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1972 and 1973.

SEC. 408. If subtitle B of this title is effective with respect to the 1972 and 1973 crops of wheat, the amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1972 crop of wheat may be reduced by the amount by which the actual total production of the 1972 or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for such crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 409. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, and if subtitle B of this title is effective with respect to such crops the 1972 and 1973 crops of wheat the Agricultural Act of 1949 as amended is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 410. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for (i) the 1971, 1972, and 1973 crops of feed grains, and (ii) if subtitle B of this title is effective with respect to such crops, the 1972 and 1973 crops of wheat as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: *"Provided,* That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence "but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

SEC. 411. In the event that no new legislation is enacted in advance of the planting season for the 1974 crop of fall seeded wheat, and the Secretary determines that it will best accomplish the purposes of section 379a of the Agricultural Adjustment Act of 1938, as

amended, and is otherwise in the interest of wheat producers and the United States, he is authorized to carry out a program for the 1974 crop of wheat on the same basis as the program for the 1973 crop, in which event references made in titles I and IV of this Act to the 1973 crop of wheat and to the marketing year for such crop beginning July 1, 1973, shall be considered as applying as well to the 1974 crop of wheat and to the marketing year beginning July 1, 1974, and the period beginning July 1, 1971, and ending June 30, 1974, referred to in section 403 shall be considered as extended to June 30, 1975.

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(3) Price support loans with respect to the 1971 through 1973 crops of feed grains shall be made available on grains stored on the farm where produced, and price support loans on grains of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for such grains.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base: *Provided*, That no farm feed grain base shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income. Notwithstanding any other provision of this subsection, the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for a loan or purchase to participate in the set-aside program for feed grains if such producer has previously produced a malting variety of barley and plants barley only of an acceptable malting variety for harvest.

"(2) To assist in adjusting the acreage of commodiites to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided*, That except for acreage provided for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm

shall be adjusted downward to the extent required by subsection (b) (3).

"(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, within sixty days following signup for the program, at a rate equal to 32 cents per bushel of corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Section 342 is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, for each of the 1971 through 1973 crops (1) the national marketing quota for upland cotton shall be not less than the number of bales required to provide a national acreage allotment for such crop of fourteen million five hundred thousand acres; and (2) each farm acreage allotment (computed without regard to clause (3)) shall bear the same relationship to its farm base acreage allotment (as finally effective after adjustment for release and reapportionment, transfers, and all other factors) as the national acreage allotment bears to the national base acreage allotment and (3) if the Secretary determines such action to be necessary to provide an adequate supply of cotton, the Secretary may (i) increase each farm cotton acreage allotment to permit the planting of cotton on all or any part of the acreage required to be set aside pursuant to section 103(e)(4) of the Agricultural Act of 1949, and (ii) apportion additional acreage not exceeding an acreage equal to 25 per centum of the national acreage allotment to farm operators who apply for such additional acreage and give such assurance as the Secretary deems appropriate that they will make all appropriate efforts to produce and harvest cotton on acreages equal to their increased allotments. Such additional acreage shall be apportioned in such manner as the Secretary deems appropriate to assure an adequate supply, giving special consideration to farms having cotton acreage allotments, the amounts of such allotments, and the production history of such farms. Producers on any farm receiving increased allotments under clause (3) shall be entitled to price support loans and purchases only on an amount of cotton determined by multiplying the yield used in computing payments for such farm by the acreage allotment computed without regard to clause (3)."

(2) A new section 342a is added to read as follows:—

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(A) Subsection (a) is amended (i) by striking "cotton acreage allotment" and inserting "farm base acreage allotment for cotton", and (ii) by striking "1970" and inserting "1973".

(B) Subsection (b) is amended by striking clause (ii) and by inserting before the period at the end of the next to last sentence the following: "; and (viii) no allotment may be sold or leased except to a person who furnishes such county committee with satisfactory evidence that he is dependent upon the production of cotton for a livelihood and will make all appropriate efforts to produce and harvest cotton on an acreage equal to his full farm base acreage allotment as constituted after such transfer. Any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops".

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. (a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be not less than fourteen million five hundred thousand acres less a percentage thereof equal to the percentage of the farm acreage allotment used in determining set-aside requirements under section 103(e)(4) of the Agricultural Act of 1949, as amended.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment if a farm base acreage allotment was in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustment for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): Provided, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments to to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county commitee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date

of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State or Federal Government shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of cotton have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years or any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided,* That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e)(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e)(1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators nonrecourse loans for a term of one year from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the average world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment of such a loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secretary annually pursuant to a published regulation which shall specify the procedures and the factors to be used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the loan level for Middling one-inch cotton at average location will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year: *Provided,* That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer),

and who is on a small farm (that is a farm on which the acreage allotment is ten acres or less, or on which the yield used in making payments times the acreage allotment is three thousand six hundred pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)) shall be increased by 30 per centum. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield established for the farm: Provided, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968 and 1969: *Provided,* That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: Provided further, That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

"(4)(A) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm acreage allotment for the farm as may be specified by the Secretary (not to exceed 12½ per centum of the farm acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an average of cropland on the farm in addition to that required to be so devoted under subsection (e)(4)(1)(A). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. The tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, and in no event shall it sell upland cotton owned or controlled by it at less than 110 per centum of the loan rate plus an allowance for carrying charges which will reflect commercial rates for storage, warehousing services and other handling costs, insurance, and interest at the prevailing rate charged by the Commodity Credit Corporation on cotton loans, and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "And provided, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89-321 (79 Stat. 1210) is amended as follows:

By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

SEC. 610. The Commodity Credit Corporation, in furtherance of its powers and duties under subsections (e) and (f) of section 5 of the Commodity Credit Corporation Charter Act, shall, through the Cotton Board established under the Cotton Research and Promotion Act, and upon approval of the Secretary, enter into agreements with the contracting organization specified pursuant to section 7(g) of that Act for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs and programs to aid in the development of new and additional markets, marketing facilities and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings. Each year the amount available for such agreements shall be that portion of the funds (not exceeding $10,000,000) authorized to be made available to cooperators under the cotton program for such year but which is not paid to producers because of a statutory limitation on the amounts of such funds payable to any producer. No funds made available under this section shall be used for the purpose of influencing legislative action or general farm policy with respect to cotton.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

SEC. 702. Section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1732), is amended by inserting after the first sentence thereof a new sentence as follows: "The foregoing provisio shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities carried out with foreign currencies made available under title I of this Act which have as their purpose the expansion of export sales of United States agricultural commodities."

SEC. 703. (a) Section 104(b)(2) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "2 per centum" and inserting "5 per centum".

(b) Section 104(k)(1) of such Act is amended by inserting before the comma at the end thereof the following ", other than paragraph (2) of subsection (b)".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "SEC. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,"; and by substituting "three-, five-, and ten-year periods" for "such period not to exceed ten years as he may determine".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "Provided, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The producer shall agree to permit access to the farm without other compensation, under terms and conditions established by the Secretary, by the general public for hunting, trapping, fishing, hiking, or other recreational use, subject to applicable State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B)

that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of productive agricultural land to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring productive agricultural land for the preservation of open spaces, natural beauty, the developemnt of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions determined by the Secretary to accomplish the purpose of the program. The Secretary also is authorized to share the cost with State and local governmental agencies and other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "The Secretary is authorized during any calendar year to enter into agreements under this subsection covering not to exceed six million acres plus the number of acres by which agreements in 1971 or 1972 covered less than six million acres."

(11) By striking out "June 30, 1963" in paragraph (7) and substituting "June 30, 1972".

(12) By inserting "farming opportunities and" preceding the words "interests of tenants and sharecroppers in paragraph (3)".

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 and subsequent crops of peanuts.

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

SEC. 804. (a) Notwithstanding any other provision of law, any producer who is participating in the feed grain program under title V of this Act, in the cotton program under title VI of this Act, or in the wheat program under title IV of the Act, shall, in any year in which an acreage diversion or set-aside program is in effect, under either such program in which such producer is participating, be permitted, subject to the conditions prescribed in subsection (b) of this section, to plant and harvest forage from an acreage on the farm equal to 25 per centum of the acreage on the farm diverted from production under such programs or twenty-five acres, whichever is greater.

(b) Any producer who elects to plant and harvest forage on diverted acreage must first agree not to use any forage harvested from such acreage unless authorized to do so by the Secretary.

(c) When any diverted acreage has been planted and harvested under authority of this section, the forage harvested therefrom shall be stored in sealed storage on the farm in accordance with such regulation as the Secretary may prescribe and shall be available for use during periods of emergency declared by the Secretary. In order to avoid deterioration of forage stored on the farm for emergency purposes pursuant to this section, the Secretary may permit such forage to be removed and used or sold from time to time so long as an amount of forage equal to the amount removed is previously placed in storage and sealed.

(d) Any farmer who has forage stored on his farm for emergency purposes pursuant to this Act may remove such forage from storage and use it whenever the Secretary has (1) designated as an emergency area the area in which such farm is located, and (2) specifically authorized the use of emergency forage for farmers in the area.

(e) The Secretary of Agriculture is authorized to make or guarantee loans to farmers, both tenants and landowners, to assist such farmers in the construction of storage facilities on the farm for the storage of emergency forage pursuant to the provisions of this section if such farmers are unable to obtain loans from commercial sources at reasonable rates and on reasonable terms and conditions. Loans made by the Secretary under this subsection shall be made at the current rate of interest for periods not exceeding ten years, and on such other terms and conditions as the Secretary may prescribe.

FARMER ADJUSTMENT PROGRAM

SEC. 805. (a) For the purpose of providing a transitional program to assist low-income farmers engaged in producing cotton, wheat, or feed grains in making the necessary adjustments to nonagricultural pursuits and to provide opportunities for gainful employment, the Secretary of Agriculture is authorized to formulate and carry out a program during the calendar years 1971 through 1973 under which the Secretary may enter into an agreement with any farmer who, during the three-year period immediately preceding the year in which the agreement is entered into—

(1) had average gross annual sales of farm products of not more than $5,000; and

(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer).

(b) Agreements entered into under this section may include: (1) the surrender to the Secretary for permanent cancellation of average allotments and base acreages then under the control of the farmer in return for cash consideration in an amount determined to be appropriate by the Secretary; (2) adjustment assistance not to exceed $2,500 per year for a period not to exceed one year.

(c) The Secretary shall, in achieving the objectives of this section, arrange for utilization to the maximum extent possible of existing Federal and State programs designed to provide grants, loans, and other assistance which will further facilitate this adjustment program.

(d) The Secretary shall prescribe such regulations as he deems necessary to carry out the provisions of this title.

TITLE IX—RURAL DEVELOPMENT

SEC. 901. The Congress hereby finds that the technology responsible for the unrivaled abundance of American agriculture has also been largely responsible for the elimination of millions of farm-related jobs. Since 1940 an estimated twenty-five million displaced farm and rural residents have migrated, chiefly to metropolitan areas, primarily in search of new economic opportunities. Presently, 20 per centum of the adult urban population are former rural residents.

The Congress further finds that despite a slowdown in the peak migration of approximately one million people a year in the 1950's, movement of people from rural areas still continues at a high rate. By the year 2000 or soon thereafter, one hundred million more Americans will be added to the one hundred forty million already living in our cities and suburbs. Unless this Nation makes a commitment of sufficient magnitude to reverse the present trend toward excessive concentration of population, two hundred forty million people will be crowded together in four giant strip cities. Already, 70 per centum of our population lives on less than 2 per centum of our land.

The Congress further finds that the devastating consequences of the population shift are evident everywhere—in both urban and rural America. Countless rural communities, once thriving and prosperous, are facing social and economic bankruptcy because too few residents remain to support essential public services and civic institutions. On the other hand, our large cities are facing gradual strangulation. Our giant cities are finding themselves increasingly unable to deal with the large influx of uneducated rural migrants who are ill-prepared for urban living. The congested traffic arteries, the pollution of the water and the air, the soaring crime rates, the housing blight, and the simple lack of adequate elbow room are rapidly making our larger cities unlivable as well as ungovernable.

The Congress further finds that the legislative program provided for herein is vital to American agriculture. If we are to continue to have a viable commercial agriculture, it will be necessary that we continue to support the price of certain commodities and that we have some control over surplus production. However, farm price-support programs can never provide an adequate standard of living for a large number of rural residents. Even a farm program providing 100 per centum parity for all crops would not provide a decent standard of living to farmers who are too old or too uneducated to adapt to the new farm technology, and to farmers

who are unable to secure enough capital to build an efficient farming operation. No system of farm price supports can adequately provide for farm day laborers, migrant workers, and sharecroppers who are displaced by the new technology.

The Congress is, therefore, committed to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

LOCATION OF FEDERAL FACILITIES

SEC. 902. In that it is the intent of Congress to minimize further impaction on already overcrowded metropolitan areas, Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations.

PLANNING ASSISTANCE

SEC. 903. Under authority of the Housing and Urban Development Act of 1968, the Department of Housing and Urban Development and the Department of Agriculture are authorized to provide assistance to States planning for the development of rural multicounty areas not included in economically depressed areas. In enacting this legislation, the Congress made it clear that the purposes of the program was to help preserve and utilize our great human and economic investment in small towns and in less populous regions.

The Congress is deeply concerned that the key goals of these programs are not being met or even approached. It is, therefore, the purpose of this section to provide the Congress with information sufficient for it to determine whether the nonmetropolitan planning program is meeting certain national priorities and goals. The Secretary of the Department of Housing and Urban Development and the Secretary of Agriculture shall submit to the Congress a joint progress report regarding the operations of such program not later than September 1 of each fiscal year reflecting the efforts under such program during the immediately preceding fiscal year. The first such annual report shall be submitted not later than December 1, 1970, and shall cover the period beginning August 1, 1968, the date of enactment of the Housing and Urban Development Act of 1968, and ending June 30, 1970.

INFORMATION AND TECHNICAL ASSISTANCE

SEC. 904. Planning and development activities depend upon well-informed and well-educated community leaders and citizens. Small communities and less populated areas often lack the resources and technical assistance necessary to insure that the level of their understanding and knowledge regarding planning and development activities is adequate. Since these ingredients are essential to the development of these areas, it is essential that the Congress evaluate the actions of the Department of Agriculture in providing such assistance, either through the Department of Agriculture or in cooperation with others. The Secretary of Agriculture shall submit to the Congress a report not later than September 1 of each fiscal year reflecting the efforts of the Department of Agriculture regarding the providing of information and technical assistance to small communities and less populated areas during the immediately preceding fiscal year. The first such annual report shall be submitted not later than December 1, 1970, covering the period beginning July 1, 1969, and ending June 30, 1970. The Secretary shall include in such reports to what extent technical assistance has been provided under other Federal programs and through land grant colleges and universities and through the Extension Service programs of the Department of Agriculture.

GOVERNMENT SERVICES

SEC. 905. In that adequate government services are essential for an acceptable quality of life in rural areas, highest priority must be given to extending to rural areas the same government services which are available to urban areas. The Congress is especially concerned that rural communities be provided with adequate telephone services, adequate water and sewer systems, high quality medical care, and superior educational facilities. The President is requested to submit to the Congress a report not later than September 1 of each fiscal year stating the availability of these and other government services to rural areas and outlining efforts of the executive branch to improve these services during the immediately preceding fiscal year. The President is requested to submit the first such annual report, covering the fiscal year ending June 30, 1970, on or before December 1, 1970.

FINANCIAL ASSISTANCE REPORT

SEC. 906. Extensive revitalization of rural America will require special financial assistance and since such financial assistance is not available through normal credit channels, the President is requested to report to Congress on the possible utilization of the Farm Credit Administration and agencies in the Department of Agriculture to fulfill this financial assistance requirement. The President is requested to submit the report requested by this section on or before July 1, 1971, together with such recommendations for legislation as he deems appropriate.

Mr. BYRD of West Virginia. Mr. President, Senators have been put on notice that there will be a live quorum at this time. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 294 Leg.]

Allen	Ervin	Metcalf
Byrd, Va.	Fulbright	Mondale
Byrd, W. Va.	Holland	Saxbe
Cranston	Javits	Talmadge
Eastland	Mansfield	Williams, Del.
Ellender	McClellan	

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD of West Virginia. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Aiken	Hart	Schweiker
Anderson	Hollings	Scott
Bible	Hughes	Smith, Maine
Burdick	Inouye	Sparkman
Case	Jordan, N.C.	Spong
Church	Long	Stennis
Cooper	McGovern	Stevens
Eagleton	Muskie	Thurmond
Fannin	Nelson	Yarborough
Gore	Packwood	Young, N. Dak.
Gravel	Pell	Young, Ohio
Harris	Proxmire	

The PRESIDING OFFICER. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed without amendment, the following bills and joint resolution of the Senate:

S. 1170. An act to authorize the Department of Commerce to make special studies, to provide services, and to engage in joint projects, and for other purposes;

S. 3337. An act to provide for the disposition of funds appropriated to pay judgments in favor of the Yakima Tribes in Indian Claims Commission dockets numbered 47–A, 162, and consolidated 47 and 164, and for other purposes;

S. 3617. An act to amend the Marine Resources and Engineering Development Act of 1966 to continue the National Council on Marine Resources and Engineering Development;

S. 3838. An act to prevent the unauthorized manufacture and use of the character "Johnny Horizon", and for other purposes;

S. 3997. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Confederated Banks of Ute Indians in Court of Claims case 47567, and a judgment in favor of the Ute Tribe of the Uintah and Ouray Reservation for and on behalf of the Uncompahgre Band of Ute Indians in Indian Claims Commission docket numbered 349, and for other purposes;

S. 4033. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Chemehuevi Tribe of Indians; and

S.J. Res. 67. A joint resolution granting the consent of Congress to the States of Maryland and West Virginia and the Commonwealths of Virginia and Pennsylvania and the District of Columbia, as signatory bodies, for certain amendments to the compact creating the Potomac Valley Conservancy District and establishing the Interstate Commission on the Potomac River Basin.

The message also announced the House had agreed to the concurrent resolution (S. Con. Res. 49), providing for congressional recognition of the Goddard Rocket and Space Museum.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 17123) to authorize appropriations during the fiscal year 1971 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, and research development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 17570) to amend title IX of the Public Health Service Act so as to extend and improve the existing program relating to education, research, training, and demonstrations in the fields of heart disease, cancer, stroke and other related diseases, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STAGGERS, Mr. JARMAN, Mr. ROGERS of Florida, Mr. SPRINGER, and Mr. NELSEN were appointed managers on the part of the House at the conference.

H.R. 17795 HELD TEMPORARILY AT THE DESK

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the bill H.R. 17795, to amend title VII of the Housing and Urban Development Act of 1965, be held temporarily at the desk.

The PRESIDING OFFICER (Mr. GRAVEL). Without objection, it is so ordered.

THE PRESIDENT'S WELFARE PROGRAM—TESTIMONY OF FIVE GOVERNORS BEFORE COMMITTEE ON FINANCE

Mr. JAVITS. Mr. President, the other day the Senator from Delaware (Mr. WILLIAMS), in commenting on the President's welfare program, gave certain feelings of his own about a UPI dispatch which characterized the testimony of five Governors before the Committee on Finance. I have undertaken to obtain the testimony of each of these five Governors. I have no quarrel whatever with the conclusions drawn by the Senator from Delaware because, as a matter of fact, the account said the bill was submitted to slashing criticisms by these Governors.

Mr. President, I ask unanimous consent that the statements of Governors Hearnes, Licht, and McCall before the Committee on Finance be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY BY THE HONORABLE WARREN E. HEARNES, GOVERNOR OF MISSOURI

Mr. Chairman and members of the Committee: I am Warren E. Hearnes, Governor of Missouri and Chairman of the National Governors Conference. I appreciate the invitation extended to myself and my colleagues to appear before this distinguished Committee of the United States Senate and discuss the subject of welfare reform as embodied in H.R. 16311. However, in my brief opening remarks, I would like to present to the Committee, welfare policy positions adopted by the National Governors Conference.

Welfare in our nation has been described as a "mess", a "failure", and a "disaster". I prefer to look upon the present welfare system as a natural consequence of almost forty years of piling rule upon rule, regulation upon regulation, and law upon law; state and federal. It is a jerry-built structure and it would appear that we have come to the end of the road with the system as it is, and there is general agreement that there must be a thoroughgoing overhaul of welfare as we now know it.

The Governors of the nation, faced with runaway costs, day-to-day crises in welfare, and an administrative quagmire, took a long hard look at the problem through its Human Resources Committee just prior to the meeting of the National Governors Conference in Colorado Springs in 1969. This Conference adopted several policy statement regarding welfare reform which were reaffirmed at the meeting last month of the National Governors Conference at the Lake of the Ozarks in Missouri. And while we disagreed on many other subjects, there was unanimity on what we believe should be done with the welfare system. The policies adopted by the Governors are as follows:

1. Substitution, on a phased basis, of a federally financed system of welfare payments for the current federal-state program for the aged, blind, disabled, and dependent children, and including also the general assistance programs now financed by the States themselves. Eligibility and grants would be determined by the Federal Government; the system would be state administered under federal guidelines. The system should include realistic income exemptions to provide incentives for persons to seek employment. Adequate day care for children of working mothers and an expanded federal job training program should also be assured. Some of these goals are suggested in H.R. 16311.

2. Increase in the present levels for all payments under the Old Age Survivors Disability Insurance Program, with a minimum payment of $100 per month.

3. Transfer of the present Old Age Assistance, Aid to the Permanently and Totally Disabled and Aid to the Blind programs to the Social Security Program, with payments being made from federal general revenues to the Social Security Trust Fund to cover the increased cost.

4. Full Federal funding for the Food Stamp Program so that welfare recipients and low-income persons in all states could be covered by the program.

Related directly to the welfare field was a policy adopted endorsing a national universal health insurance program, coupled with hospital cost controls as the primary method of keeping rising health costs from preventing people from receiving the medical care they need. The program would utilize the existing private enterprise medical system. The Conference went on record that Medicaid should be 100 per cent Federally financed. H.R. 17550, which I understand will be considered by this Committee next week, would be, in our opinion, a proper vehicle for federal assumption of Medicaid costs, or at least a greater percentage of federal contributions toward the program.

We, as Governors, are not too concerned with the question of state vs. federal administration of the welfare system, but we are positive in the belief that there should be 100 per cent federal financing of welfare. This conclusion resulted from the following facts as we viewed them:

Welfare is a national problem and the freedom of movement or level of subsistence should not be arbitrarily limited by the artificial boundaries of state welfare programs. HEW Secretary Richardson recognized this fact when he stated before this Committee on July 21, "Poverty and welfare are national problems requiring national solutions."

The Federal Government does, in fact, control the growth and direction of existing programs, and, thus, should assume full financial responsibility as well.

The states and localities face a continuing and growing fiscal crisis, in large part due to welfare costs, for which Federal relief must be provided.

H.R. 16311 is a step toward the position supported by the Governors. However, it is not as positive as we would like to see and it does not strike at the root of the problem, which is to try to bring about uniformity in application of the laws and the rules so that there can be equal treatment of the poor, irrespective of their geographic location. This can only be achieved by full Federal financing and full Federal direction.

I have concluded my testimony regarding the welfare proposals of the National Governors' Conference. I will submit to the Senate Committee a separate statement setting forth those sections of H.R. 16311, which, in my opinion, need the attention of the Committee.

I would like to make one observation regarding H.R. 16311 to the Committee. I make this observation as Governor of Missouri and not as Chairman of the National Governors' Conference, since it is quite possible I may not reflect the views of some of my gubernatorial colleagues.

It occurs to me that the Administration has simply picked a figure out of the air—some $4.1 billion—and attempts to compress too many major and costly reforms into this figure. I would suggest that the Committee delay the adoption of the legislation at this time which would draw into the welfare system some 14 million citizens now in the ranks of the working poor or under-employed. I believe the money could be used to better advantage in shoring up other aspects of this Bill.

For example, it is generally conceded that the $1,600 guaranteed floor, plus some $860 in Food Stamps, for an average family of four under the Aid to Families with Dependent Children program, which will be supplanted by the Family Assistance Plan (FAP), is wholly inadequate. It is far below the established poverty level of $3,720.

Another example of a sadly neglected group are the single persons and childless couples among the poor, unable to work or to qualify for welfare benefits, who have been completely overlooked as far as the welfare reform measure is concerned. They should be brought under coverage in H.R. 16311.

Granting that attention should be given later to the working poor, it seems to me that welfare reform for the benefit of the present assistance recipients should be established and working before adding this vast new segment of the population to the welfare system.

Finally, the workability of the entire new welfare program is still to be proved. I agree with Senator Ribicoff's suggestion that the reform measure be thoroughly tested prior to placing it into effect. I understand that HEW is funding experimental projects in Seattle, Washington, and Gary, Indiana, and another one on a statewide basis in Vermont. This is a good start, but I would go further with the testing so that the plan could be tried in a number of states and communities, providing a diversity of problem areas, population groups and administrative structures. After the testing period, the legislation could be placed into effect if positive results are obtained. Certainly, we could create staggering disorder if we would move into a program as vast as that encompassed by H.R. 16311, until a thorough trial period has proved its value.

Thank you for the opportunity to appear before this distinguished Committee.

STATEMENT OF TOM MCCALL, GOVERNOR OF OREGON, SENATE FINANCE COMMITTEE—SEPTEMBER 10, 1970

Oregon believes strongly that welfare reform is long past due. The Family Assistance Plan has considerable merit and, if suitable amendments are included, will get Oregon's support.

We must find a way to break the deadly cycle of poverty and public dependency. The time is now and the need is essential.

It is our opinion, however, that the proposed changes are—in several instances—the wrong solutions for agreed-upon needs.

The American people have always been willing to help the helpless, the young, the

Mr. WILLIAMS of Delaware. I shall read just two paragraphs from the letter of the Governor of Tennessee.

Would the Senator from New York call this an endorsement?

Should this proposed Act be enacted in its present form it will have far-reaching effects on the budget and revenues of the State of Tennessee. As studies by many states confirm, the burden these new demands would impose upon State financial resources is uncertain. Our analysis, likewise, has indicated that the probable additional cost to the State of Tennessee could range between $7 million and $20 million in the first year. We are disturbed that the ambiguities in the proposed programs preclude more precise analysis.

The whole letter will be in the RECORD, but let me read this further paragraph:

In light of the many uncertainties of the proposed legislation—which I understand are also of serious concern to other states which have evaluated the bill—it would seem to me that a two-year trial of the system in selected states would be more desirable than immediate implementation of the programs authorized by the proposed Act.

This letter is by Governor Ellington, Governor of the State of Tennessee. I asked that it be printed in the RECORD in line with the suggestion made by the Senator from Louisiana, but I shall discuss it later.

I do not question the sincerity of the Senator from New York. I can understand his interest in the bill because it would bail the State of New York out of $60 million or $80 million of its cost of welfare. Perhaps from the standpoint of a relief bill for the State of New York it would be justified, but from the standpoint of the taxpayers as a whole I am not sure it is a good piece of legislation. I shall say more about that later.

Mr. JAVITS. Mr. President, will the Senator yield me 30 seconds to reply?

Mr. ELLENDER. I yield.

Mr. JAVITS. I rose to point out that the statements made by the Governors were not slashing criticisms. I made no statement of endorsement by New York or otherwise. New York and other States with enormous populations need relief in the welfare situation, which is essential to the welfare of the country, and I shall be glad to debate it and will not be deterred from debating the subject by the epithet of its being a New York endorsement.

Mr. WILLIAMS of Delaware. Mr. President, I wish we had more time on this. It is just beginning to get interesting. It is just as important as the farm bill, but I conclude at this time after pointing out one example. In New York State a family of four on welfare with no income would, if the bill is enacted as amended by the administration, have an income of $6,210. If the same individual gets a job in private employment and earns $7,000 a year he would end up with only $6,209 after taxes, or $1 less than if he had stayed on relief. On the other hand, if he worked a little less and reduced his earnings to $6,000 instead of $7,000 he could increase his income—cash, food stamps, and so forth—to just over $7,500. The less he works the more he has under this bill.

If that is called a work incentive program that is not the mathematics we use in our State.

One additional point, and I will conclude for tonight. The bill now before our committee would add 14 million more to our welfare rolls, and it would more than double the cost of the present welfare system.

AGRICULTURAL ACT OF 1970

The Senate continued with the consideration of the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Mr. ELLENDER. Mr. President, I have a prepared statement which I expect to read at this time. Before proceeding with the statement, I wish to point out that there are several typographical and clerical errors in the committee amendment. In addition, the Department of Agriculture has suggested that the 32-cent advance payment for corn be reduced proportionately if the required set-aside is less than 20 percent.

That was what was really intended by the Department and the committee, as I shall indicate by a memorandum I received from the Secretary of Agriculture. I send to the desk a series of amendments designed to correct these errors and make the change proposed by the Department.

I ask unanimous consent that these amendments to the committee amendment in the nature of a substitute be adopted en bloc, and that the committee amendment as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER (Mr. GRAVEL). Without objection, the amendments are considered and agreed to en bloc as requested.

Mr. Ellender's amendments, agreed to en bloc, are as follows:

On page 58, line 8, after "set-aside acreage" insert "or" required diversion".

On page 61, line 22, strike "ninety days later" and insert "within ninety days".

On page 63, line 20, strike "13" and insert "31".

On page 68, line 15, strike "the 1971 wheat program" and insert "each of the 1971 through 1973 wheat programs".

On page 68, line 20, strike "the 1971 crop of wheat" and insert "such program".

On page 68, line 24, strike "wheat" and insert "program".

On page 80, line 24, after the period, insert closing quotation marks.

On page 85, line 17, strike "403" and insert "404".

On page 91, line 2, after the period insert "The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within sixty days following signup for the program."

On page 94, line 18, after the period add the following: "If the set-aside in effect under subsection (c) is less than twenty per centum of the feed grain base, the preliminary payment rate under this subsection shall be reduced proportionately."

On page 95, line 7, after "(1)" insert "the preceding sentence shall be inapplicable and".

On page 102, line 13, strike "or" and insert "on".

On page 108, line 23, strike "average" and insert "acreage".

On page 108, line 24, strike "(e)(4)(1)(A)" and insert "(e)(4)(A)".

On page 123, line 24, strike out "title" and insert "section".

Mr. ELLENDER. I ask unanimous consent to have printed in the RECORD the feed grain amendment as proposed by the Department of Agriculture, relating to the lower preliminary payment if diversion is less than 20 percent, together with the letter of transmittal signed by Mr. Clarence D. Palmby, Assistant Sectary.

There being no objection, the letter of transmittal and the proposed feed grain amendment were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: The proposed feed grain amendment relating to the lower preliminary payment if diversion is less than 20% along with an explanation of why this change is desirable are attached for your consideration.

Sincerely,

CLARENCE D. PALMBY,
Assistant Secretary.

PROPOSED FEED GRAIN AMENDMENT

There is a provision in both the bills H.R. 18546 as passed by the House and the Senate Agriculture Committees which requires the Secretary of Agriculture to make a full preliminary payment equal to the difference between $1.35 and the expected average price received by farmers during the first five months of the marketing year. This payment is to be guaranteed regardless of the size of the required set-aside.

This provision may not be in the best interest of sound legislation if because of changing conditions of feed grain supply and/or demand the Secretary of Agriculture did not require at least a 20 percent required set-aside. Under these conditions the payment per bushel for not producing feed grains would escalate rapidly and program participation would increase proportionately. Such increased participation would result in (1) more farmers diverting land which would have to be compensated by still lower diversion percentages and (2) a significant increase in program costs at a time when farmers were being ask to contribute less in terms of idling productive cropland.

The suggested amendment would allow the Secretary of Agriculture to reduce the preliminary payment in line with the diversion requirement if it is below 20 percent. This would not reduce the total price support guarantee of the difference between $1.35 and the average price received by farmers for corn during the first five months of the marketing year.

The suggested amendment is as follows:

On page 94, line 18, after the period add the following: "If the set-aside in effect under subsection (c) is less than twenty per centum of the feed grain base, the preliminary payment rate under this subsection may be reduced proportionately."

Mr. ELLENDER. Mr. President, the bill pending before the Senate provides for a farm price support and subsidy program. Just as postal subsidies and subsidies

for education are designed to feed men's and women's minds, this bill is designed to feed and clothe their bodies.

We have had a farm program for some years now. Most Members of the Senate now serving were not here when the program which forms the basis of our present law, began in 1938. They did not have the actual and intimate experience which I had with the situation which brought it into existence.

Mr. President, I ask the indulgence of the Senate to permit me to summarize some of the events that led up to the act of 1938, and some of the successes which have flowed from its enactment.

I was elected a Senator from Louisiana in 1936. In that year, the Supreme Court declared unconstitutional the Agricultural Adjustment Act of 1933, which had been passed by the Congress at the request of President Roosevelt. It was necessary for the 75th Congress to enact new legislation.

Before Congress was able to start with the drafting of new legislation, efforts were made to have rehearings on the Supreme Court decision, but all such attempts were to no avail. When I came to the Senate in January of 1937, I asked to be placed on the Committee on Agriculture and Forestry, in the hope that I could assist in drafting a farm bill, to assist our producers.

At that time, Mr. President, I was informed by the then majority leader of the Senate, the late Senator Joseph Robinson from Arkansas, that the Committee on Agriculture and Forestry was a committee much in demand. At first he refused to put me on that committee; but after awhile, he finally consented.

Mr. President, this committee, as I have said, was one on which every new Senator, or even Senators who were serving, asked to be placed because of its importance. Since the 88th Congress, however, the Committee on Agriculture and Forestry has acted to reduce its membership from 17 to 15, and then from 15 to 13 members, in order to make the committee more active.

Mr. President, this committee is one of great importance, and we have before us today a very important bill. I urge Senators to read excerpts from the committee report appearing on pages 3, 4, 5, and 6, of Senate Report No. 91–1154, which in substance indicate the great progress that has been made in agriculture since the act of 1938 became law.

To show the committee's contribution I want to point out some of the important legislation that we have sponsored over the years.

On February 16, 1938, the Agricultural Adjustment Act of 1938 was enacted. It provided mandatory support at 52 to 75 percent of parity for corn, wheat, and cotton; permissive supports for others—CCC already had permissive authority under its charter—parity payments for corn, wheat, tobacco, cotton, and rice; marketing quotas for tobacco, corn, wheat, cotton, and rice; and established the Federal Crop Insurance Corporation. On April 3, 1941, the AAA of 1938 was amended to provide mandatory support for peanuts at 50 to 75 percent of parity. Later, the act of May 26, 1941, directed the CCC to make loans on 1941 crops of rice, tobacco, cotton, corn, and wheat at 85 percent of parity. On July 1, 1941, the Steagall amendment required support at not less than 85 percent of parity for nonbasic commodities for which expanded production was requested. On December 26, 1941, the act of May 26, 1941, was amended to add peanuts and extend it to 1943 through 1946 crops. Later, on October 2, 1942, section 8(a) of Stabilization Act of 1942 directed CCC to make loans at 90 percent of parity for cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before 2 years after the end of hostilities—effective through 1948 crops. Section 9 raised the Steagall amendment minimum support rate to 90 percent of parity and continued it for 2 years after the end of the war—until December 31, 1948. On June 30, 1944, this act increased support for cotton harvested after December 31, 1943, to 92½ percent of parity. The act of October 3, 1944, increased cotton support rate to 95 percent of parity for crops harvested after December 31, 1943, and planted prior to January 1, 1945. And on July 28, 1945, the act was amended to require support for fire-cured tobacco at 75 percent of the rate for Burley, and support for Virginia sun-cured at 66⅔ percent of the Burley rate.

POSTWAR YEARS, 1949–50

On July 3, 1948, the Agricultural Act of 1948 provided price support at 90 percent of parity for 1949 crops of basic commodities, corn, cotton, peanuts, rice, tobacco, wheat, and the 1949 production of the Steagall commodities, hogs, chickens, eggs, and milk. Provided price support on the 1949 production of the Steagall commodities, dry beans, dry peas, turkeys, soybeans, flaxseed, peanuts for oil, American-Egyptian cotton, potatoes, and sweet potatoes at not less than 60 percent of the parity or comparable price and not higher than the 1948 level. Provided price support for wool marketed through June 30, 1950, at 42.3 cents per pound. Provisions for subsequent crops of basics at 60 to 90 percent of parity was superseded by the 1949 act. On October 31, 1949, the Agricultural Act of 1949 provided support for basics on sliding scale of 75 to 90 percent of parity, minimum being fixed on basis of supply percentage. 1950 crops of basics were to be supported at 90 percent of parity if marketing quotas not disapproved. In effect, required support for wool at 90 percent of parity. Mandatory support for tung nuts, honey, and potatoes at 60 to 90 percent of parity and for milk and butterfat at 75 to 90 percent. On March 31, 1950, potato support prohibited unless marketing quotas in effect.

KOREAN WAR YEARS, 1951–54

During the Korean war supports were kept high to insure adequate supplies. Most of the stocks acquired by CCC from the 1948 and 1949 crops were sold. But for the next decade supplies were always to exceed demand and surpluses accumulated.

On June 30, 1952, section 106(a) of act of June 30, 1952, provided 90 percent of parity for the basics while title IV of Defense Production Act—price controls—was in effect—until April 30, 1953.

POST KOREA AND RECENT YEARS, 1955 TO DATE

On July 10, 1954, Public Law 480, 83d Congress, was enacted. On August 28, 1954, the Agricultural Act of 1954, providing flexible support—75 to 90—gradually went into effect for basics—82½ to 90 through 1955. Provided for set-asides which would not count in determining price support levels, but would count for allotments and quotas. Included Wool Act of 1954. Repealed authority for corn marketing quotas. On May 28, 1956, the Agricultural Act of 1956 provided for soil bank, consisting of acreage reserve and conservation reserve. On August 28, 1958, the Agricultural Act of 1958 permitted corn producers to vote out acreage allotments in November 25, 1958, referendum. Made price support mandatory for the other four feed grains relative to corn. Provided for choice "A" and "B" cotton programs for 1959 and 1960 under which lower support was made available to farmers choosing an increased allotment. Support levels gradually were decreased to 65 to 90 percent of parity. On March 22, 1961, the emergency 1961 feedgrain diversion program was adopted. On August 8, 1961, the Agricultural Act of 1961 provided for 1962 crops of wheat and feed grains aimed at diverting acreage. On September 27, 1962, the Food and Agriculture Act of 1962 continued the feed grain diversion program for 1963 and added barley. Beginning in 1964 the 55-million-acre minimum wheat allotment was abolished, and a marketing certificate program was provided for with marketing quotas. On May 20, 1963, the Feed Grain Act of 1963 provided acreage diversion program for 1964 and 1965 feed grain crops. On April 11, 1964, the Agricultural Act of 1964 provided for equalization payments on cotton to handlers or mills. Cotton farmers were to receive regular allotments and domestic allotments with additional price support on the domestic allotment. A voluntary wheat certificate program and land diversion program was provided for wheat. On November 3, 1965, the Food and Agriculture Act of 1965 extended voluntary wheat certificate program, provided for a cotton payment and diversion program with payments being made to farmers, extended the wool and feed grain programs, and provided for the cropland adjustment program. Provided for class I dairy program. Applied in general through 1969. Extended in 1968 to cover 1970.

The increase in production, Mr. President, has been phenomenal. I do not suppose there is an industry in our Nation that has made the progress that has been made by American agriculture. The facts and figures which appear in the committee report on the bill indicate this great progress.

As an example, in 1967, with 6 percent less land than was producing in 1958 and 1959, 20 percent more food was pro-

duced; and in 1969, with 46 million acres less than was planted in 1950, 30 percent more food was produced.

I am happy to come before this body and indicate the progress and the great strides that have been made in agriculture.

In 1935, we planted 336 million acres of land, and, using the productivity percentage base of 1957 to 1959, we produced 68 percent of what was produced in 1957 and 1959; but in 1964, we produced 111 percent of what was produced during the base period of 1957 to 1959, and in 1969 we produced 122 percent of production during the base period of 1957 to 1959.

Mr. President, that is indicative of what this law has done for agriculture. It is true that it has cost some money—quite a bit of money—but it has built a food factory and fiber factory equalled by none other in the world, and the Lord only knows what the food bill for this country would be, in these times, unless we had a sufficient amount of food on hand to supply all of our people with the proper diet and with sufficient fiber.

In addition to that, Mr. President, we have been able to assist many other nations in providing food and fiber for them under the Public Law 480 program; and that program is being renewed in this bill, together with other programs.

I wish to emphasize again, Mr. President, that I am very hopeful that Senators will take this report home and read it overnight or tomorrow, just to show the great progress that has been made in agriculture and what it means to the consumers of this country by way of better food and cheaper food, as I shall indicate in my prepared statement.

The need for adequate production of farm products is obvious. Humans may not live by bread alone, but without it they cannot live at all. Without adequate food and fiber they cannot think, cannot learn, cannot survive.

To provide food and fiber for all our people at reasonable prices, prices they can afford to pay, the farmer must produce a plentiful supply. To obtain this production, the farmer must be provided with adequate compensation and protection against surplus production. He must be able to pay for his seed, his implements, all the materials that go into production, including his hired labor as well as his own.

Agricultural production is divided among many producers. The more units each produces at any given price, the greater is his total return. The incentive for each is to produce as much as possible, so that without controls and with adequate production facilities, an unmanageable surplus is likely to be produced. Since individual farmers cannot control prices, such surpluses result in lower prices than are reasonable. Farmers use up their machinery, mine their farms, and migrate to the city; and soon production facilities are inadequate, prices to consumers rise, and many suffer hardship. Moreover, since farmers cannot control the elements and since consumers cannot afford a shortage, farm production must be planned so as to produce just a little too much. This little extra—which really assures the people of the Nation an abundance at reasonable prices—must either be stored or exported. Prior to 1961, surpluses gradually increased, and they were stored at tremendous costs to the taxpayer and were prmitted to dangle over the market thereby depressing prices.

Without adequate compensation, farmers could not afford to continue to spend over $38 billion for goods and services used in production and another $12 billion for food, clothing, and other consumer items. In 1966, farmers bought $4.9 billion worth of tractors, machinery, equipment, and motor vehicles. They spend over $4 billion yearly for fuel, lubricants, and maintenance of vehicles and machinery. Without these purchases, the general economy would suffer.

To look back a few years to see what can happen in the absence of a good farm program, realized net income of farmers declined from about $9.5 billion in 1919 to about $3.9 billion in 1921, then to $2.9 billion in 1931, and finally to $1.9 billion in 1932. Wheat sold for 32 cents a bushel in 1932 and cotton for 4.62 cents per pound. Beef cattle prices fell to 4.25 cents per pound, and hog prices to 3.34 cents per pound. Corn prices were at 29 cents per bushel. In 1929 came the stock market crash, which carried the Dow-Jones Industrial Index from 364.9 down to 62.7. Unemployment reached 4,639,000 in October 1930 and by early 1933 was more than 13 million. Exports declined from $5,241,000,000 in 1929 to $1,611,000,000 in 1932. Imports declined from $4,399,000,000 in 1929 to $1,323,000,000 in 1932. People no longer had the good things of life. Indeed, they no longer had the necessities. It was a time of suicides, breadlines, and general distress.

Out of that chaos came the farm program, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, minimum wages and 40-hour week legislation for most workers—except farmers—and other measures designed to restore the economy and prevent a repetition of that terrible debacle. During the thirties, under the ever-normal granary program, farm prices were supported, plentiful supplies were produced, and stocks were built up as the country gradually recovered from the depression. With the advent of World War II, these stocks were used up, and a combination of price supports and controls were used to keep prices to consumers down while obtaining expanded production and assuring farmers against sharp cuts in production and prices when the war should end. I am proud to say that I participated in the enactment of all these laws. The wartime consumer subsidy was $2.1 billion. After the war, stocks built up gradually to burdensome levels. In the sixties we were concerned with working off these stocks, taking land out of production, and cutting Government costs of carrying stocks.

In 1961, the carryover of feed grains had reached a total of 85 million tons. This is now down to a manageable 47 million tons. Wheat stocks totaled 1.4 billion bushels, now down to 880 million bushels. Cotton carryover in 1966 totaled 16.6 million bales, now down to 5.7 million bales. To reduce these supplies while still holding production in line with needs has been costly indeed. From July 1, 1961, through June 30, 1970, the cost of the wheat program, including the International Wheat Agreement, was $14.1 billion, the feed grain program $13.3 billion, and the cotton program $7.6 billion. These data are from "Reports of Financial Condition, Commodity Credit Corporation," and cover all costs including price support and related programs, Public Law 480, direct payments to producers, and CCC export credit sales.

Now that supplies are down, our objective is to minimize Government costs to assure adequate production, prevent the buildup of surplus, and maintain about 50 to 60 million acres of cropland in noncrop use so that they do not contribute to surplus production but are available when additional production is needed. These programs have worked so well that many now take a plentiful supply of food and clothing for granted and feel secure in the belief that another depression cannot occur. Many young people have never known shortages or depressions. They are only dimly aware that there are other countries which are perennially short of food or fiber or both, and which experience periods of feast and periods of famine. In 1969, the American consumer spent only 16.5 percent of his take home pay for food, while the West European spends 25 to 30 percent of his income for food, the Russian spends 45 to 50 percent, and the Asian pays 75 to 80 percent. I repeat, ours is 16.5 percent of the worker's take-home pay. Not only do Americans spend less of their income for food, but they eat much better than ever before. They eat 5.4 percent more livestock products, 42 percent more poultry, and 35 percent more beef than 10 years ago. To demonstrate how well the average worker has fared under the farm program during the past 23 years, we might consider the fact that from 1946 to 1969 prices received by farmers rose only 19 percent, while nonagricultural wage rates rose an estimated 231 percent. Of course, amounts received by processors and other middlemen also rose, but the total increase in retail food prices was still only 88 percent.

During this period, farmers have been doing poorly due entirely to circumstances beyond their control. Costs of production have been rising at an alarming rate. For example, while farm prices have increased only 19 percent since 1946, costs of production have increased 73 percent. A 30- to 39-horsepower tractor which in 1957–59 cost $2,920 now costs $3,950. A 50- to 59-horsepower tractor increased from $4,800 to $5,920. A 12-foot self-propelled combine that cost $6,320 in 1957–59 now costs $9,400. A cottonpicker, 2-row, self-propelled, increased from $16,680 to $23,900, and a 2-row cornpicker from $2,120 to $3,750. These are just some of the examples of increased costs, but there are many more.

The consumer is well off today, and he should realize that this is due, to a large extent, to the farm program. Supplies are plentiful. Prices are reasonable. Stocks are down to manageable levels. But if supports and controls were to be

removed, we could return to the economics of the 1920's and 1930's. As I stated earlier, 50 to 60 million acres of cropland are now diverted by Government programs from production. Failure to extend the feed grain, cotton, and wheat programs would make most of this acreage immediately available for production. Government payments to farmers would be reduced by about $3.3 billion. This would represent about a 20 percent reduction in net realized farm income.

The bill before the Senate today is designed to prevent this from happening. It would provide programs for milk, wool, wheat, feed grain, cotton, extension of Public Law 480, and long-term land diversion for 1971 through 1973.

Mr. President, at this point, I ask unanimous consent to have printed in the RECORD some excerpts from the committee report, to which I referred a moment ago. I think it is very important that, before we make up our minds to criticize the farm program, we look at what this means to the American consumer.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

AGRICULTURE'S CONTRIBUTION TO THE AMERICAN ECONOMY

It would be as difficult to exaggerate the impact of American agriculture on the American economy as it would be to describe fully its importance. American agriculture with its efficiency, increased production and productivity, advanced research efforts and contributions to the economy through export levels, labor use, purchasing power, and supply of raw materials must never be considered lightly. Farmers have always fed and clothed the American population, protected its resources, and looked ahead to the future. They have contributed toward feeding us less expensively and have allowed Americans to spend more of their take-home pay for luxuries they might never have afforded otherwise. Increased production levels have contributed greatly toward feeding hungry and malnourished Americans who would otherwise not be able to share in American abundance. Agriculture's contribution to American industry and to the American economy are extensive and certainly classify it as an industry of major importance to us all.

A picture of American industry would be bleak without the contributions of large volume purchases by farmers of goods and services. To produce crops and livestock farmers spend over $38 billion a year for goods and services and another $12 billion a year for food, clothing, drugs, and other essential consumer items. Five percent of total yearly steel is purchased in the form of farm machinery, trucks, fencing, and building materials. Farm industry use of steel amounts to about one-third as much as that of the automotive industry. In 1966 primary metals industries spent $2.2 billion for equipment and new machinery, while farmers bought $4.9 billion worth of tractors, machinery, equipment, and motor vehicles. Farmers spend over $4 billion yearly for fuel, lubricants, and maintenance of vehicles and machinery, and use more petroleum products yearly than any other single U.S. industry. Yearly purchases of lime and fertilizer products run to slightly more than $2 billion. Of total rubber used in the United States, 7 percent—about 360 million pounds—is purchased by farmers. This is equivalent to the amount needed to put tires on 7.5 million automobiles. Two and one-half percent of the Nation's total yearly electricity production of 32 billion kilowatt-hours is used by farmers annually.

Farming as an industry employs more than 5 million workers. This figure represents more than the total number employed by transportation, public utilities, the steel industry and the automotive industries combined. An additional 3 million are paid as hired farmworkers. The increase in capital and mechanical inputs has freed valuable manpower to other vital and growing industries of the Nation and has created jobs outside agriculture itself.

Thirty percent of all jobs in private employment are agriculture related. Over 110,000 people are needed to produce farm equipment and more than 40,000 jobs are required to produce steel in products for farm use. The storage, transportation, processing, and merchandising of farm products employed some 8 to 10 million people in 1968. Meat preparation, packaging, and poultry dressing employs nearly 300,000; their payroll is close to $2 billion. Almost 240,000 people are employed in the production of dairy products at an approximate payroll of $1.5 billion. Baking industry pay out about $2 billion to 275,000 employees. Industries for processing fruits and vegetables employ almost 190,000 people who earn a total combined salary of over $800 million. Six million more Americans have jobs providing the supplies farmers use for production and for their personal comforts. Without the raw materials supplied by U.S. farmers which help to generate new jobs and new businesses, industry would be at a near standstill.

Agriculture's contribution to the American economy has been enormous. As a consumer in 1969, agriculture spent $6,634 million for feed—twice what it did in 1950 and nearly one and one-half times the amount in 1960. Purchases of livestock ran to $4,174 million—more than double the 1950 figure. Over $2 billion worth of lime and fertilizers were purchased by farmers in 1969.

As taxpayers in 1969, farmers paid $2.3 billion in farm real estate taxes, $446 million for personal property taxes, $1.9 billion in Federal and State income taxes, and $350 million in sales taxes. Interest payments on farm mortgages were more than $1,600 million. Nearly $3,192 million was paid to almost 3 million hired farmworkers in 1969. About $1.3 billion was made in rent payments. The people employed either directly in agriculture production or in argriculture-related industry helped substantially to keep unemployment figures low.

In 1968 agriculture assets were $281 billion, the equivalent of about two-thirds of the value of capital assets of all corporations in the United States, or about half the market value of all corporation stocks on the New York Stock Exchange.

Agriculture plays a vital role in creating a favorable balance of trade. Production from 1 of every 5 acres harvested is exported, making the United States the world's largest exporter of farm products accounting for 20 percent of world agricultural trade. In fiscal year 1970, record commercial sales for dollars pushed total agricultural exports past the $6.6 billion mark. This represented only slightly less than one-fifth of total nonagricultural exports for the same period. Fiscal 1970 marked the first time a single market purchaser of American farm goods, in this case Japan, had bought over $1 billion worth of products in 1 year. Exports of animals and animal products totaled $773 million; animal fats and oils, $213 million; dairy products, $109 million; poultry, $55 million; fruits, $341 million; and foreign sales of grains reached $2,348 million. With exports totaling over $6.6 billion and imports at $5,481 million, a favorable balance of trade in agricultural products was achieved.

If the American citizen is not fully aware of the importance of agriculture to U.S. industry or of its generous contribution to the well-being of the American economy, he certainly should realize what benefits he reaps as a consumer of agricultural products. The increased efficiency and use of modern know-how in the production, harvesting, and marketing of food and fiber products means that the consumer spends a smaller percentage of his take-home pay for a higher quality and a wider variety of products than ever before. Over the years farmers have succeeded in using advanced chemical fertilizers, pesticides, modern labor- and cost-saving machinery and sophisticated livestock breeding techniques to increase production levels, increase yields per acre and increase meat and poultry production with smaller amounts of cropland and labor hour inputs. Today's farmer produces over 20 percent more on 6 percent fewer acres than he did in 1957–59. He produces food and fiber to meet the needs of an increasing population with fewer man-hours of labor and a smaller farm labor force.

In 1950, there were 152 million people in the United States. The farm population was 23,048,000—about 15.3 percent of the total population. Farmers fed and clothed them by harvesting 336 million acres with an input of 15,137 million man labor-hours. Total farm production for the period from 1947 to 1949 was 85 (using 1957–59=100 base). By 1960, with an input of 9,795 million labor hours on 317 million acres, output was 106. In that year, when the U.S. population was increased to 180.7 million, the number of farmworkers had dropped to 15,635,000—8.7 percent of the total population. By 1968, farm efficiency had risen to the point where 10½ million farmworkers—only 5.2 percent of the U.S. population of over 201 million—could produce on only 297 million acres with 6,998 million labor hours enough food and fiber for the Nation. Farm output had risen to 120. Land released from production because of higher per acre yields has been allowed to rest and regain its fertility. Much of this diverted acreage is now used for conservation purposes.

Efficiency of the U.S. farmer means that productivity of the American farmworker in the 1960's increased by 6 percent a year, while in other industries the figure was only 3 percent. One farmworker today produces food, fiber, and other farm products for himself and 44 other Americans. Today 1 hour of farm labor produces seven times as much food and other crops as it did 50 years ago. Production sufficient to feed over 200 million people today uses only one-third the amount of labor as was required to meet the needs of only 91.9 million people in 1910. Output per man-hour on the farm increased by 83 percent from 1957–59 to 1969.

A look at the increased efficiency of American agriculture over the years is more impressive still when compared with figures from other countries. In 1968, when only 5.2 percent of our population fed, clothed, and helped to house us; in Canada the figure was 11 percent; in Denmark, 15 percent; in France, 18 percent; in West Germany, 11 percent; in Japan, 24 percent; and in the U.S.S.R., 32 percent. The gap becomes even wider with the realization that none of these nations produces the abundance and the amount of export commodities we do.

These increases in production and improvements in production efficiency have been reflected in better buys for consumers at the supermarket. Between the base-period years of 1947–49 and 1969 when the price of all items on the cost-of-living index rose by 57 percent, such things as rent increased by 63 percent and medical costs increased by 124 percent. However, in that same period, food costs rose only 48 percent. In 1969 the American consumer spent only 16.5 percent of his take-home pay for food. That represents a substantial drop from 20 percent in 1960. The average customer in Western Europe spends 25–30 percent of his income for food; in the U.S.S.R. the figure is 45–50 percent; and in Asia the purchase of food takes 75–80 percent of per capita income. For 1 hour's factory labor Americans can now buy nearly two times as much steak,

twice as much bacon, and almost twice the amount of milk as they could in 1948.

For his expenditures in 1969, the American consumer received food products of higher quality, higher nutritional value, and of a wider variety of processed and packaged forms than ever before. A higher standard of living combined with increased efficiency of marketing, packaging, and transportation methods allowed Americans to purchase preferred food items—5.4 percent more livestock products, 42 percent more poultry, and 35 percent more beef than 10 years ago.

Not only is there more food at lower prices, but the food is better. Extensive research and food processing innovations have given the consumer new food products of higher nutritional value. Genetic selection of livestock has produced leaner, more flavorful meats and higher milk production. Combined efforts of producers and the Federal Government insure that meat, poultry, and dairy products will be inspected and graded and sold with a guarantee of purity.

Much of consumer benefit is a result of agricultural research. Work with fiber processing has produced cottons that are wash and wear and wrinkle resistant. Many wools can now be machine washed. These developments not only save the consumer money on cleaning bills, but also save him time. Newly developed farm equipment now picks fruits and vegetables faster, cutting production costs. New machinery frees labor and reduces damage to crops at the harvest stage thereby reducing wastes and yielding higher production levels. Research in irrigation and conservation practices help to preserve America's natural resources and increase effective use of much potential cropland.

Increased production has meant abundances of food products with which we can support food programs to help needy Americans. The school lunch, school milk, direct distribution, and food stamp programs are only some of many projects which are feeding and nourishing millions of American children and adults. Abundant production has enabled us to build essential reserves which can be called upon in case of emergency.

COMMITTEE CONSIDERATION

The committee held hearings on February 18, 19, 20, 23, 24, 25, and 26, and on March 23, 1970, and these hearings have been printed. As soon as H.R. 18546 was passed by the House of Representatives, the committee had its staff prepare an analysis of that bill; and on August 19, 20, and 25 the Secretary of Agriculture with other officials of that Department discussed the implications of that bill with the committee. The committee held further executive sessions on August 26, 27, and 28, and reported the bill with its recommendations on that date.

The purpose of the farm program is to provide consumers with adequate supplies on a continuous basis at fair prices. We cannot afford to have too little food or fiber, with attendant scarcities and high prices. Nor can we afford to build up large surplus supplies, which are expensive to carry and result in prices too low to support a healthy agricultural economy. When the Food and Agriculture Act of 1965 was enacted, we were faced with burdensome surpluses. During the past years we have reduced these surpluses to manageable levels, and in some cases to levels somewhat lower than may be desirable. The principal objective of the program at the present time should be to provide adequate production; but in seeking to achieve this objective we must be aware that the world situation and technology can change, and that the buildup of excessive supplies must be avoided. The committee is well aware of the surpluses during the depression, the shortages during World War II, and the buildup and disposal of surpluses following that war.

The bill as passed by the House provides for a set-aside of cropland by wheat, feed grain, and cotton producers in return for payments. Wheat and feed grain producers would not be required to plant in order to qualify for payments, nor would the production of those commodities necessarily be subject to any control, as in the past. Loan levels could be reduced without commensurate increases in payments. The emphasis is on taking land out of production, rather than on production, leaving each farmer free to decide what he will plant without any minimum statutory price guarantee. There is no assurance that adequate supplies would be produced or that surplus supplies would not be produced.

The committee felt that some specific guarantees and some controls were essential to assure adequate but not excessive supplies, and to maintain a healthy farm economy. The difference in approach between the House bill and the committee amendment are further set out in the following exchange of correspondence.

Mr. ELLENDER. Now, Mr. President, I propose to discuss the various programs.

MILK

With respect to milk, it would extend the authority for class I base plans permanently; make it easier for new producers to obtain bases; and make it possible for old producers to share in market expansion. Under these plans, producers are apportioned shares of the market for the higher priced fluid consumption milk on the basis of their marketings of milk during a past representative period. This permits producers to cut down their production of lower value milk, avoid production of surplus, and increase their income per hundredweight produced. The authority for seasonal base plans would be clarified by restricting it specifically to the objective of encouraging seasonal production adjustments and providing specifically for so-called Louisville plans, under which handler payments are accumulated during one period for disbursement in another. Class I base plans would have to be approved by individual voting, as at present, while seasonal plans could be approved through bloc voting, as they were prior to passage of the 1965 act.

In addition, the bill would suspend mandatory price support for butterfat through March 31, 1974, thereby permitting adjustment of the Government's purchase prices for the various products of milk; extend the Armed Forces milk program through 1973, and extend the milk indemnity program through fiscal 1973. The last-mentioned program would also be extended to manufacturers of dairy products.

WOOL AND MOHAIR

The wool and mohair programs would be extended through 1973 with the incentive price fixed for wool at 72 cents per pound and for mohair at 80.2 cents per pound. These are the same as those fixed under existing law for 1970. These prices would not be increased, as now provided, to reflect increases in the parity index.

WHEAT

In the case of wheat, the 1965 act would be extended for 1971 with modifications to provide for a minimum loan level of $1.25 per bushel—the level which has been in effect for several years—to require that loans be available on wheat stored at the farm, and that such loans be renewed to the extent consistent with the efficient conduct of the program; and to require payment within 60 days of signup of not less than 50 percent of any payments due under the program.

For 1972 and 1973, wheat producers could choose between the program just described and a new so-called set-aside program. The principal difference between the 1965 act, as extended for 1971, and the set-aside program would appear to be as follows:

First, under the set-aside program the Secretary would have complete authority to fix farm acreage allotments at any level he saw fit, or to allow farmers to plant all the wheat they wished. At present, acreage allotments must be fixed in accordance with a formula prescribed by law and must be large enough to provide a minimum production of 1 billion bushels of wheat.

Second, the face value of marketing certificates would equal the difference between parity and the average price received by farmers for the first 5 months of the marketing year. Seventy-five percent of the estimated face value of these certificates would be payable within 60 days after signup. At present, the face value of certificates is equal to the difference between parity and the loan level and there is no provision for advance payments. Under the 1965 act, as extended by the bill to 1971, the advance payment would be not less than 50 percent of the face value of the certificate.

Third, farmers would not have to plant wheat to qualify for payments, but would have to plant at least 90 percent of their domestic allotments to avoid loss of acreage history.

Under the set-aside program, each farm would receive a domestic acreage allotment entitling it to receive approximately the same number of marketing certificates that it receives today on the basis of its wheat marketing allocation. Price support loans would be available at not less than $1.25 per bushel. To qualify for loans and payments, the producer would be required to set aside an acreage equal to up to 75 percent of the farm domestic acreage allotment and devote such acreage to conserving use. Using the same yields as those used in computing the 1971 acreage allotment, this would mean a maximum required set-aside of about 14.5 million acres. This compares with a required set-aside under section 339 of the Agricultural Adjustment Act of 1938 for the 1971 crop of about 15.8 million acres. Having made this set-aside, the producer could plant all of the remaining cropland on his farm to wheat if he saw fit, unless the Secretary imposes an acreage limitation at a level to be fixed by him. Under existing law, producers must comply with their shares of a national acreage allotment of 43.5 million to qualify for price supports and payments in 1971. Under the bill the allotment would be entirely subject to the discretion of the Secretary. The Secretary could, under either the bill or existing law, provide for additional diversion for pay.

FEED GRAINS

The feed grain provisions of the bill differ from those of the 1965 act principally in the following respects:

First, producers could plant all the corn, sorghum, and barley they desired unless the Secretary imposed an acreage limitation, and in that case the amount that could be planted by program participants would be fixed at the discretion of the Secretary. Under existing law participants are restricted to their base acreage minus any diversion, and the amount of diversion required for participation in the program is left to the discretion of the Secretary.

Second, barley would be required to be included in the payment as well as loan provisions of the program.

Third, the planting of feed grains would not be required as a condition of payment, but producers would have to plant at least 45 percent of the farm base acreage to maintain their acreage history.

Fourth, price support would not be related to parity, but the loan level could not be less than $1 per bushel and the payment rate could not be less than the larger of 32 cents or $1.35 per bushel less the average price received by farmers during the first 5 months of the marketing year. Thirty-two cents of this payment would have to be paid within 60 days of signup. If the set-aside requirement should be less than 20 percent, this 32-cent minimum payment would be reduced proportionately.

UPLAND COTTON

The cotton provisions of the bill would differ from the provisions of the currently effective law in the following respects:

First, the minimum national acreage allotment would be reduced from 16 million acres—plus a national reserve of 310,000 acres—to 14.5 million acres.

The national allotment could, of course, be above the minimum if conditions so required, as it is this year. In addition, if the Secretary determined such action to be necessary to provide an adequate supply of cotton, he could increase each farm acreage allotment by up to 12½ percent and could apportion additional acreage up to 25 percent of the national allotment in such manner as he deemed appropriate to assure an adequate supply. When we passed the Food and Agriculture Act of 1965, our carryover for August 1, 1965, had been over 14 million bales and we were headed toward a carryover on August 1, 1966, of about 16.6 million bales. We had too much, and our problem was to bring these supplies down to reasonable levels. That law has been so effective that our carryover on August 1 of the current year had been reduced to about 5.7 million bales. Now our problem is to assure adequate supplies without again building up a surplus.

Second, as under the 1965 act, the bill provides for a set-aside of up to 12.5 percent of each farm acreage allotment as required by the Secretary. However, under the 1965 act this acreage had to be diverted from cotton, while under the bill it must be diverted to conserving uses, but not necessarily from cotton if the Secretary so decides. We are no longer as concerned about reducing cotton acreage. Now the set-aside represents the cotton producer's contribution to a general reduction in acreage cropped.

I may say in passing that in addition to the 12.5 percent set aside, we have reduced the minimum acreage by 1.5 million acres from the 16 million acre minimum provided in the law, plus a reduction of the 310,000 acres that the Secretary is now able to use in order to adjust acreage among farmers. So, there has been an actual reduction in acreage for the cotton farmers of about 1,800,000 acres plus the 12.5 percent I have just indicated of the base acreage of 14.5 million acres.

Third, the bill provides for a minimum national base acreage allotment of 14.5 million acres minus a percentage thereof equal to the set-aside percentage. If the maximum set-aside of 12.5 percent were required, this would mean an absolute minimum national base acreage allotment of about 12.7 million acres. This allotment would form the basis for payments and corresponds to the domestic allotment provided for by the 1965 act. For 1970 the domestic allotment was 11.1 million acres.

Under existing law, the national acreage allotment is apportioned to States, counties, and farms, and the farm domestic allotment is a uniform percentage of the farm acreage allotment. Under the bill the national base acreage allotment is apportioned to States, counties, and farms in a similar manner; and the farm acreage allotment is a uniform percentage of the farm base acreage allotment.

Fourth, the price support loan level under the bill would reflect for Middling one-inch cotton, 90 percent of the average world price for such cotton for the 2-year period ending July 31 of the year preceding that in which the crop is produced. If prices in either of such years are excessive, the Secretary is required to make such adjustments as are necessary to keep U.S. cotton competitive and retain an adequate share of the world market for such cotton. The loan would be redeemable for 1 year.

Fifth, payments would be made at a rate equal to the difference between the loan level and the higher of 35 cents, or 65 percent of parity, but in no event less than 15 cents a pound. Small farmers, those with allotments of 10 acres or less or a total average yield of 3,600 pounds or less and incomes of less than $5,000 on farm and $2,000 off farm, would have their payments increased by 30 percent. This is a little less than the payment made to such farmers at 25 percent of parity on 35 percent of their allotments for the 1966 through 1970 crops under section 103(d)(4) of the 1949 act as amended by the 1965 act. Under that act small farmers were not required to plant in order to obtain their payment. Under the committee bill they would have to plant in order to qualify for the payment. There was no income limitation on the payments provided for in the 1965 act, so the bill represents a refinement in this regard. It is designed to provide some assistance for poor farmers who are still cultivating small acreages. We would like to keep these people on the farm where they have grown up and have their roots. We want to keep them off relief, and keep them from being forced into the cities for which they are not adapted and where they will add to our urban problems. These acreages are too small to be efficient or to mechanize, and no new farmers would be attempting to go into farming with this type of allotment.

Sixth, the Commodity Credit Corporation would be authorized to use for cotton development and promotion up to $10 million of the funds which would be paid to cotton producers but for the payment limitation. The Corporation would act through the Cotton Board established under the Cotton Research and Promotion Act and enter into agreements with the contracting organization specified pursuant to section 7(g) of that act. Expenditures under this provision of the bill would supplement the funds put up by the cotton producers themselves under the Promotion Act, which aggregates about $10 million annually.

PAYMENT LIMITATION

I have discussed the wheat, feed grain, and cotton programs provided for by the bill. I have also discussed the need for these programs. They are designed to regulate the many diverse units of agricultural production so as to provide the consumer with a continuous supply of food and fiber at reasonable prices, maintain a sound agricultural plant, and preserve the health of the national economy. These programs are subsidy programs. Payments are used to make them work, and where large producers are involved large payments have been made. These payments regulate the use of land. They are made to keep land out of production so that we will not be faced with burdensome surpluses and low prices which are destructive of both large and small farmers. They are made to obtain adequate production and to keep prices down so that our citizens will be able to afford and obtain adequate food and clothing. Another point on payments which is often overlooked is that our price support loan levels are generally set at world market price levels so that we can export our surplus production. Without payments, prices would have to be increased, the surpluses which cost so much to dispose of would plague us again, the farm economy and the national economy would suffer, our agricultural and industrial plant would deteriorate, and consumer supplies and prices would eventually be adversely affected. Preventing payments from being made could, therefore, have the effect of putting a monkey wrench in the machinery.

There has, however, been considerable objection to some large payments under the program, and the bill does contain a provision limiting payments per person per crop of wheat, feed grains, and cotton to $55,000. This provision has been given extensive consideration by the House of Representatives, the Department of Agriculture, and the committee. The committee has not changed it in any material respect from the manner in

which it passed the House. While a $50,000 price support limitation contained in Agricultural Appropriation Act of 1960 was found to create many problems and consequently was not extended, the committee believes that the provision in the bill will be workable, will remove the objections which have been made to the program, and will not prevent the program from achieving its objective.

Mr. President, in passing I wish to say that insofar as I am concerned personally I have always fought for a sound farm program and opposed any feature that would curtail its effectiveness. The purpose of the program has been to reduce acres and whether those acres were taken from small farms or large farms made no difference. I was voted down and I am now willing to support the $55,000 limitation on payments if that is necessary to obtain a good farm bill that will protect our farmers and our consumers.

PUBLIC LAW 480

The bill would extend Public Law 480, 83d Congress, through December 31, 1973. This is the law under which we sell agricultural commodities and products for foreign currencies or on long-term credit, or donate such commodities for foreign relief.

The bill would permit the alcoholic beverage industry to participate in trade development under that law and increase the availability of foreign currencies under that law for educational and cultural exchange.

GENERAL AND MISCELLANEOUS

Title VIII of the bill contains a number of general and miscellaneous provisions. It would enlarge the cropland conversion program under which acreage is retired for up to 10 years; extend the exemption of peanuts for boiling from marketing quotas; authorize permanent surrender of allotments; permit forage to be harvested and stockpiled under diversion and set-aside programs; and authorize the Secretary to undertake a program to help low-income cotton, wheat, or feed grain farmers to adjust to nonagricultural pursuits. Such program could provide for the sale to the Secretary of acreage allotments and base acreages.

RURAL DEVELOPMENT

Title IX of the bill deals with rural development. It commits Congress to a sound rural-urban balance, and provides for annual reports on planning assistance, technical assistance, and Government services and utilities, and provides for a report on or before July 1, 1971, on financial assistance.

I must say that this latter title, title IX, is similar to a provision that the Senate has enacted during two previous Congresses. We have proposed this provision to the House, but, the House has to date refused to even consider it. We have added it to the bill in a form which I do not believe the House will refuse to go along with, because it does not involve the expenditure of any money, but merely provides for a report to see how best we could aid in planning so as to retain farmworkers and people on the farm.

Mr. President, this concludes my remarks. I am very hopeful that copies of these remarks will be placed on the desks of Senator so that Senators will have them available tomorrow. Those copies contain the address I have just delivered.

Again, I urge Senators to read that part of the report which I placed in the RECORD. It is very illuminating. It clearly indicates the success that has been made of the farm program and of the importance of keeping such a program for the future. In this way we can continue to provide sufficient food and fiber to take care of our own population as well as many underprivileged people throughout the world.

I am very hopeful that Senators will read the statement and consider the bill and that we can have it enacted without too much delay. There is some difference between the provisions in the House bill and the Senate version. I am hopeful that we can soon get together with the House conferees and work out a bill that is acceptable to all concerned.

Mr. President, I yield the floor.

Mr. YOUNG of North Dakota. Mr. President, I have listened with great interest to another fine speech by the distinguished chairman of the Senate Committee on Agriculture and Forestry. He has worked tirelessly and effectively for farm programs and for farmers for over 33 years. The farmers of this Nation owe him a great debt of gratitude for the fine work he has done for them.

I was a farmer in the depression years that the Senator from Louisiana talked about in the early part of his speech. I farmed all through the depression and went broke along with the rest of the farmers. When it was through, I owed more than I was worth. I borrowed all the money I could from the Federal Government through feed and seed loans.

When prosperity returned to agriculture—only because of farm legislation—I was able to pay back the so-called feed and seed loans but when I did, the principal payments exceeded the interest. I for one know at first hand, the real need of the farm support program.

Mr. President, the pending farm legislation has a broad impact that reaches far beyond farmers themselves. Almost every segment of our economy is directly or indirectly affected by farm price support legislation because it has a direct bearing on what future farm income will be.

It has a very direct impact on farmers and those closely associated with them in all rural America which comprises approximately one-fourth of our total population. While farmers represent a small and decreasing percentage of our population, farming is still our biggest industry. In my own State of North Dakota, more than 80 percent of our total income is from the sale of farm commodities. Even in highly industrialized Ohio, agriculture is still their biggest industry.

Farmers still use more steel, petroleum products, rubber, and chemicals, including fertilizer, than any other segment of our economy. Thirty percent of all private employment in the Nation is agriculturally related.

Farmers have a huge investment and much of it is borrowed money. Total farm indebtedness today is more than $58 billion—higher than at any time in history. And at the highest interest rates in more than a quarter of a century.

Farmers, more than any other segment of our economy, have invested heavily to become efficient, low-cost producers. Consumers today spend only 16½ percent of their disposable income for food. This is the lowest in our history or the history of any other nation.

Because of their hard work and efficiency, farmers are producing far more food and fiber than can be consumed in this country. While providing these abundant supplies of food and fiber at low cost to our consumers, we are still able to export farm commodities in excess of $6.5 billion a year.

The increasing export of farm commodities has made a tremendous contribution to a favorable balance of trade with the rest of the world. Farm exports far exceed those of any other industry.

Mr. President, much more should and needs to be said about the importance of farming and the need for a healthy agriculture and a prosperous nation. Farm depressions in the past have always led to national depressions and this certainly would be the case again if agriculture were bankrupt.

I will confine the rest of my comments to the pending farm bill and the necessity for it in order for agriculture to survive and continue to make its great contribution to society.

Certainly, this is no time to reduce farm income. And this is exactly what the House-passed farm bill would do for most segments of agriculture. While the Senate bill is not all that it should be, it is a great improvement over the House bill. Of the more than 30 general farm organizations and farm commodity groups, not a single one, to my knowledge, is supporting the House-passed bill. All but one or two of these organizations would much prefer the Senate bill over the House bill. They are urgently requesting that the Senate itself provide greater price assurances to farmers than is contained in either the House or Senate agriculture bills.

Both the House-passed bill and the pending bill before the Senate would extend Public Law 480 with some minor amendments. This food and peace program has widespread approval and support.

The dairy section of the House bill, with some minor Senate Committee changes, is acceptable to the dairy industry.

The wool section of the House bill, unchanged by the Senate Committee, meets with the approval of the wool growers.

Mr. President, the feed grain section of this farm bill, as modified by the Senate Agriculture Committee, still leaves much to be desired. It is much more acceptable than either the wheat or cotton sections of the House bill. It is a complicated program and very difficult to understand—and it gives unprecedented

discretionary authority to the Secretary of Agriculture. I doubt if more than half a dozen Members of the Senate would even attempt to explain its provisions to a farm audience. I certainly would be very reluctant to do so. The income assurance it provides would not be very different from the present program—that is, if the Secretary of Agriculture used good judgment in exercising his unlimited discretionary authority.

With price supports in the House bill set at from zero to 90 percent of parity for feed grains and zero to 100 percent for wheat, a secretary could virtually eliminate price supports entirely. All of the farm organizations, with possibly one exception, would prefer to keep the present program with some improvements. That is my feeling.

Mr. President, I do not claim to be an authority on cotton legislation but, from the study I have made of it, and the views expressed by Members of the Senate who are from cotton-producing States who are familiar with cotton legislation, I believe the House-passed bill would be disastrous to the cotten industry. The cotton provision in the Senate bill is not perfect, but I believe it should be retained by the Senate and that any changes that are necessary can be made in conference with the House.

While the House-passed wheat section has some good provisions, it is still unacceptable. The position taken by Secretary of Agriculture Clifford Hardin with respect to wheat price supports is equally unacceptable.

Secretary Hardin told the Senate Agriculture Committee that under the provisions of the wheat section in the House-passed bill, he would reduce what price supports from the present $1.25 a bushel to $1.15 a bushel.

In his testimony before the Senate Agriculture Committee, and in a letter addressed to the chairman, Secretary Hardin made it clear that he wants to lower wheat prices so that United States wheat would be more competitive in world markets. To make certain that we would have lower wheat prices, he combines lower price supports with a plan for even greater production of wheat. According to the charts the Secretary presented to our committee, wheat production next year, under the House-passed bill, is estimated at 1,525,000,000 bushels.

This would be at least 150 to 200 million bushels above the present level. Because of many uncertainties in the new set-aside provision, wheat production could go far beyond this. This production would considerably exceed what can be consumed in this country and sold abroad. Thus, the surplus that would be created would make certain that cash wheat prices would be forced even lower.

For the past 2 years the average price received by farmers for wheat was $1.24 a bushel. Mr. President, you have to go way back to 1942 to find an average farm wheat price as low as this. During the period from 1950 to 1960, including 7 years of the Eisenhower administration, the average farm price for what was $1.97½ a bushel.

Mr. President, I ask unanimous consent to have a table containing figures provided by the U.S. Department of Agriculture giving the average price received by farmers for wheat each year since 1940 included at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. YOUNG of North Dakota. Mr. President, few, if any, farmers can profitably produce wheat for the present $1.24 a bushel. The only reason they are able to survive financially at all is because of the wheat certificate payments.

One of the biggest and most efficient wheat producers in the United States, and probably in the world, is the Campbell Farming Corp., in Montana. They have a huge operation of approximately 40,000 acres involving the production of both wheat and barley.

In a letter from them dated August 26, 1970, to Senator ELLENDER and other members of the Senate Agriculture Committee including me, they set forth very graphically the costs of producing wheat and barley. In short, their conclusion is that if they had to depend on the present market price for their total wheat income, they would sustain heavy losses in their future farming operation.

Mr. President, I am no defender of big corporation farming. I cite this only to indicate that even the most efficient farm operation cannot produce wheat for the price that is obtainable on the free market now.

Wheat farmers want to continue the present program and, since the cost is little different than for the program proposed by the Secretary of Agriculture, why should we change?

Working with the members of the Senate Agriculture Committee, I was successful in getting an amendment to the wheat section approved which I think is tremendously important to the wheat industry of this country. It provides first that price supports could not be set below the present level of $1.25 a bushel. Certainly with the rising costs of everything a farmer has to buy in his operations, this is no time to reduce prices and lower farm income.

There is another important provision. It would provide that the present wheat program would be continued for the next crop year. There would be a referendum next year to permit wheat farmers to decide whether they wanted to continue the present program for the 1972 and 1973 crop years or the House-passed set-aside program as modified by the Senate.

Referendums are nothing new to wheat farmers. This is also a common practice for marketing orders for milk, fruits, and vegetables. I cannot understand the Secretary's objection to this kind of referendum for wheat, particularly since there would be little difference in the cost of the two programs.

If the so-called set-aside program would provide farmers more freedom to plant, as claimed by the Secretary of Agriculture, and if it assured them as good an income, wheat farmers might well decide in a referendum to try the set-aside program.

President Nixon campaigned for more freedom of action on the part of farmers and I understand that is one of the objectives of the Secretary of Agriculture. Thus, a referendum giving farmers an opportunity to continue the present wheat program or choose to come under the set-aside program would give them more freedom of choice.

As I stated previously, Mr. President, despite having served on the Senate Agriculture Committee for a quarter of a century and being engaged in farming all my life, I hesitate to try to explain to the rest of the Senate just how these new and complicated farm programs proposed in the House bill for either feed grains or wheat would apply to an actual farming operation.

The pending farm bill as rewritten by the Senate Agriculture Committee is not perfect and I think some changes are desirable. I do feel strongly, however, that most of this could be better accomplished in conference with the House than to try to rewrite very complicated farm legislation on the floor of the Senate.

I understand this is the position taken by the distinguished chairman of the Committee on Agriculture and Forestry (Mr. ELLENDER). He is one of the best authorities I know on farm legislation and is one who has gained great knowledge of farming both as a farm producer himself and from having served on the Agriculture Committee for 33 years.

Chairman ELLENDER has listened, oftentimes alone, to innumerable witnesses who appeared before the Senate Agriculture Committee on this legislation. I cannot help feeling that the position he has taken with respect to rewriting this legislation on the floor of the Senate is sound. He deserves our support.

EXHIBIT 1

WHEAT PRICE SUPPORT LOAN LEVELS AND AVERAGE WHEAT PRICES RECEIVED BY FARMERS, UNITED STATES, 1940–69

Year	Loan level per bushel	Average price received per bushel
1940	0.64	0.674
1941	.98	.939
1942	1.14	1.09
1943	1.23	1.35
1944	1.35	1.41
1945	1.38	1.49
1946	1.49	1.90
1947	1.84	2.29
1948	2.00	1.98
1949	1.95	1.88
1940–49 average		1.50
1950	1.99	2.00
1951	2.18	2.11
1952	2.20	2.09
1953	2.21	2.04
1954	2.24	2.12
1955	2.08	1.98
1956	2.00	1.97
1957	2.00	1.93
1958	1.82	1.75
1959	1.81	1.76
1950–59 average		1.975
1960	1.78	1.74
1961	1.79	1.83
1962	2.00	2.04
1963	1.82	1.85
1964	1.30	1.37
1965	1.25	1.35
1966	1.25	1.63
1967	1.25	1.39
1968	1.25	1.24
1969	1.25	1.24
1960–69 average		1.568

Source: USDA, ASCS Sept. 10, 1970.

Mr. AIKEN. Mr. President, I think that our chairman, the Senator from Louisiana, and the Senator from North Dakota have done remarkably good work in getting any bill at all to the Senate floor at this time, and I commend them for the exceptionally good work they have done. However, I must say that I do not agree with all the provisions of the Senate bill, and feel that they are not as helpful as their sponsors expect they would be.

I have no extended remarks on the bill at this time. I agree with my chairman and with the Senator from North Dakota that we should get this bill to conference at the earliest possible moment—tomorrow night, if possible, or the next day—because that is where the determination will be made whether we will have an agriculture bill at this session or not. I do not like the idea of no bill at all being enacted, because it would be rather disastrous to American agriculture should we let this measure go by the board this year. It would also be rather disastrous to the dispositions of most of the Members of the Senate if we had to stay here until the second of January in order to get any bill at all through.

For those reasons, I hope there will be no amendments offered to or approved for the bill at this time. There may be one or two that can be accepted by the chairman in order to take them to conference, where they will be under consideration. But, as a matter of fact, most of the proposals which have been made for the new agricultural program will be before the conference in either the House bill or the present Senate bill, and I am satisfied that if we get this bill to conference at an early date, we will come out with a result which will be very helpful to American agriculture, and will also be helpful to the reputation of this Congress.

I do not expect that we will have an agriculture bill without any faults. We never have had one yet. But if corrections are needed, certainly it is no time at all until the 92d Congress meets—that time is only about 3 months away. If corrections are needed, they can be proposed in the early part of the next session and that time is almost here.

I conclude by saying that I believe the addition of amendments to this bill, with one or two possible exceptions which could be generally agreed to, would be of no help at all to American agriculture at this time.

Mr. TALMADGE. Mr. President, I compliment my distinguished chairman, the distinguished ranking minority member, the Senator from Vermont (Mr. AIKEN) and the distinguished senior Senator from North Dakota (Mr. YOUNG) on the remarks they have made. I associate myself with them. American agriculture has no better friends than the three distinguished Senators who have preceded me on this floor this evening.

The Senate Committee on Agriculture and Forestry, working under very adverse circumstances, has reported the very best bill for American agriculture that it was possible to report from the committee. I wish this evening, however, to call the attention of the Senate to title IX of the pending bill. This title, regarding rural development, is an amendment offered by the Senator from Kansas (Mr. DOLE) and myself during the committee deliberations. I was delighted that the committee adopted this amendment unanimously.

This title says what many of us have known for a long time—that we must do more to stop rural outmigration and to achieve a sound rural-urban balance.

Although rural outmigration has not continued at the levels achieved during the 1950's, it does continue at a very rapid rate. In my own State of Georgia, 82 counties have lost population in the last 10 years, according to the 1970 census. However, one does not need to look at census figures to see what is happening to rural America. I am sure that every Member of the Senate knows of small towns in his own State which were once thriving and prosperous, but which are now almost deserted. I am sure that every Member of this body is aware of towns which have too few people and too small an economic base to provide essential Government services. Oftentimes, the small towns of the Nation are unable to attract industry and job opportunities because they do not have Government services which are considered bare essentials for comfortable living.

Almost daily I talk to mayors in my State pleading and begging for funds for sewer facilities. A Farmers Home Administration survey conducted in my State showed that there were 1,003 communities in Georgia without a water system and 1,359 communities without a sewer system. This inadequacy of service is also apparent in such areas as medical care and education.

In addition to inadequate Government services the rural resident is often forced to live in substandard housing. Although the rural areas and small towns of the country contain less than one-third of the people of America, they account for nearly two-thirds of the Nation's substandard housing.

As tragic as the plight of rural and small town America is, the impact of rural outmigration has equally serious implications for urban America. Our largest cities are becoming unlivable as well as ungovernable. They are unable to deal with their own population increases which are generated internally, not to speak of the rural migrants who come to the city uneducated and ill-prepared for urban living.

Mr. President, the Talmadge-Dole amendment would put Congress squarely on record as being aware of the problem of rural outmigration and it would state a commitment of the Congress to do something about this problem.

This title recognizes that farm payments are essential. As important as these farm subsidies are, however, they can never provide an adequate standard of living for a large number of rural residents. This title recognizes that even a farm program providing 100 percent of parity for all crops would not provide a decent standard of living to farmers who are too old or too uneducated to adapt to new farm technology, or to farmers who are unable to secure enough capital to build efficient farm operations.

Title IX recognizes the fact that much more is needed if we are to achieve rural and urban balance. We must have a commitment on the part of Congress and the executive branch to give highest priority to improving the quality of life of rural America. We must not only attempt to bolster farm income by price support payments, but we must attempt to develop adequate housing, high quality medical care, adequate water and sewer systems, good recreation facilities and, most important, job opportunities that can provide the income needed for an adequate standard of living.

Once these things are provided I believe that we will not only stop rural outmigration, but I believe that we can reverse the trend. We can expect that many residents of heavily-polluted, crime-ridden and congested urban areas will prefer to move to the small towns of America.

Mr. President, there are a myriad of Government programs which are designed to improve the quality of life in rural America and to slow rural outmigration. However, none of these programs are adequate. Many are grossly underfunded. Others are considered low priority items by the agencies which administer them.

It is the purpose of title IX to shift our national emphasis. This title makes a finding of the grave problem which faces this Nation. Already 70 percent of our population lives on less than 2 percent of our land. Title IX states that unless this Nation makes a commitment of sufficient magnitude to reverse the present trend toward excessive concentration of population, 240 million people will be crowded together in four giant strip cities by the year 2000.

The trouble with so many programs designed to help urban America is that they are not getting at the root of the problem. Many of our urban-oriented programs seem to produce little results because the problem grows faster than the program. Attempting to solve the problems of the cities without dealing first with the problems of rural America is comparable to trying to rebuild a war-torn city while the bombs are still falling. Unless we first reverse the trend of rural outmigration there is no hope for solving the problems of our inner cities.

It is time we took a long look at our national priorities It is time we realized that although rural problems and rural poverty are not as visible and as volatile as urban poverty, they must receive equal attention. Title IX recognizes this fact and states that—

> The Congress considers this balance so essential to the peace, prosperity and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

Moreover, title IX goes beyond a general commitment. It makes specific directives to government agencies and requests specific information which will enable the Congress to enact new programs.

Title IX directs the heads of all executive departments and agencies to establish policies and procedures to locate new

offices and facilities in communities of low population density in preference to communities of high population density. It requests that the President submit an annual report to Congress in regard to efforts made in this direction.

Another section of the rural development title would give an added boost to the development of rural multicounty planning. Under the authority of the Housing and Urban Development Act of 1968, the Department of Housing and Urban Development and the Department of Agriculture were authorized to provide assistance to States in developing multicounty planning for rural areas. The rural development title would give added emphasis to this program and would require annual reports so that Congress would have sufficient information to gage whether the nonmetropolitan planning program is meeting the goals set by Congress.

An unfortunate fact of life is that in many cases small town and community leaders are not very well equipped to provide leadership in rural development. The rural development amendment would direct the Secretary of Agriculture to use all the agencies and resources at his command to provide information, technical assistance and training for small town leaders so that they may do a better job of planning and developing their local communities. The Secretary of Agriculture is required to submit an annual report to Congress in regard to his efforts in this area.

As I have stated previously, services in rural areas are far from adequate. The water and sewer systems, medical care, educational facilities and even telephone service is quite inferior to the services offered in urban areas. If we are to reverse the trend of rural outmigration, we must equalize these services. The rural development title requests that the President submit an annual report to the Congress stating the availability of Government services to rural areas. Moreover, the President is requested to include in this report an outline of the efforts of the executive branch to improve these services during the preceding year.

I believe that every Member of this body is aware of the pressing capital needs of the small towns of his State. Almost every day I tak to a small town mayor or official who is seeking assistance in obtaining a grant or loan from most every day I talk to a small town may finance some essential service. The rural development amendment requests the President to explore the possible utilization of the Farm Credit Administration and agencies of the Department of Agriculture to fulfill the credit needs of rural America. The President is requested to submit his report by July 1, 1971. Hopefully, this report will furnish background for congressional action to meet the pressing capital needs of the small towns and communities of rural America.

Mr. President, the problem of achieving a sound rural and urban balance is one which will require the cooperation of all branches of government and the cooperation of business and industry leaders. I realize that many of the programs which are needed to meet the needs of rural America are under the committee jurisdiction of committees other than the House and Senate Agriculture Committees.

Hopefully, the information requested by title IX will provide a basis for action not only by the Agriculture Committees but by the other appropriate committees of Congress.

Moreover, I feel the sense of commitment stated in this resolution is vital if we are to begin to reverse rural outmigration.

Present programs and present efforts are not good enough. If we are to save our rural areas from stagnation and our large cities from strangulation, we must change our priorities.

We must make rural development and revitalization an issue which takes a back seat to none other.

Mr. MONDALE. Mr. President, I am pleased to join with my colleagues in expressing my admiration and appreciation to the distinguished chairman of the Senate Agriculture Committee for his effective work and continued devotion to strong agricultural programs and to a strong and vital rural America. His continued commitment to this cause over the years has furnished great strength to this effort, at a time when we often see absence of interest and absence of concern not only about rural America but also with respect to failing to deal adequately with the problems of all Americans, wherever they are found.

I wish to join with my colleagues. Having served for some years on the Senate Agriculture Committee—although I am not now a member of it—I quickly learned great respect for the chairman's leadership and am pleased and proud to join with the others in making that comment.

Mr. President, as we debate extension and revision of the basic legislation under which our farm commodity programs operate, we should be fully aware of the inadequate levels of today's farm income.

FARM INCOME

According to Department of Agriculture Crop Reporting Board statistics, the index of prices received by farmers dropped 10 points, or 3 percent during the month ended August 15 of this year. This is the largest single monthly decline in farm prices in 22 years. Even prior to the July–August decline, the general parity index of farm prices stood at its lowest level since the great depression.

At a time when this Nation is gripped in a very serious inflation, the American family farmer's income has dropped in a dramatic way seldom seen before in American history. I was struck the other day, when the official wholesale price indexes were released, that some glee was expressed at the fact that, for the first time in many months, the wholesale price index had shown a very modest drop. But if you analyzed those figures closely, you found that practically every other indicator was upward on an inflationary spiral, and almost the sole reason for a drop in the wholesale price index was the disastrous and cataclysmic drop in farm prices.

So that rural America is being presented with the same dramatic inflation as everyone else and, in addition, is being asked to absorb all the expense of reducing the wholesale price index.

Thus it is that the general parity index of farm prices stood at its lowest level since the great depression, and that is the environment in which we meet tonight. I think it is that deep issue that should compel us to pass the strongest possible farm bill that we can consider.

I was impressed a few months ago, when the leader of the urban coalition, Mr. Gardner, testified before one of our committees, by the fact that he led off his testimony with the statement that the more he studies the problems of urban America, the more he is convinced that they begin in rural America, and that he increasingly was of the opinion that we could not solve any of our urban problems unless we had a balanced and strong program to deal with the basic roots in rural America as well. That is really fundamentally what this farm bill is.

I have often told many of my friends, concerned as I am about our urban problems, that if they really want poverty, if they want to contribute enormously to the forces producing poverty in this country today, they should abandon the basic farm programs that have been fundamental in this country over the years, and they will have poverty the likes of which this country has never seen before, and many other adverse side effects as well.

My State of Minnesota has not escaped the trend toward reduced farm prices and income. Minnesota real farm income, adjusting for cost-of-living increase, was lower in 1969 than in any year since the disastrous year of 1964—and was lower than 7 out of 10 years of the 1950's. The steady reduction in the number of farms has made the per farm income in Minnesota generally rise. However, even the per farm real income in Minnesota last year was lower than it was in 1966, and was only $62 higher in real terms than it was in 1951.

I wonder how many Americans could be meeting the responsibilities of their family today if their income was only $51 a year higher than it was in 1951, when we consider the reduction in the value of the dollar.

The cause, of course, is not hard to find. Gross farm income has risen by only 13 percent in the last 5 years, while both production and living costs of the average farmer have gone up by 20 percent. This cost-price squeeze has meant an increasingly unfair burden of our economic troubles falling upon the farmers and their families and upon our entire rural economy. It is up to us now, as we debate this farm bill, to enact a program which will assure the American farmer a fair return for the incredible agricultural bounty which he provides.

Our distinguished Committee on Agriculture is to be commended for reporting to this body a stronger and more workable farm bill than was passed by the House of Representatives. Virtually every title of the bill is improved in a significant way, and I find the Senate bill to be superior to the House measure.

It is especially important that the com-

mittee reinstated a floor under the price support loan of $1.25 for wheat and $1 for corn. I am pleased that the committee also adopted the substance of one of my own recommendations, under the leadership of the distinguished senior Senator from North Dakota, and inserted into the bill a requirement for advance payments to feed grain and wheat producers.

CLASS I. BASE PLAN

One change that the committee made in the House bill—to make permanent the class I base plan of the dairy title rather than extend it for 3 years—may be somewhat premature. I think that we lack sufficient experience with this type of milk marketing order arrangement, and that we should retain the requirement for congressional reconsideration and renewal after another 3 years has passed. I have communicated to Chairman ELLENDER my intention to present a floor amendment, cosponsored by Senator NELSON of Wisconsin, that would reinstate the 3-year limitation. I will have further remarks when I call up this amendment and hope the committee and the Senate will accept it when offered.

While I do not intend to dwell upon the matter of class 1 dairy plan, I will be discussing it perhaps tomorrow, at the appropriate time, when an amendment sponsored by myself and the junior Senator from Wisconsin is raised.

My most serious objections to the bill as reported by the Senate Agriculture Committee comes in the feed grain section. I am not opposed to strong cotton and wheat programs. I intend to support them. But I believe we should have an equally strong program for feed grains as well.

FEED GRAINS

In terms of income protection, the feed grains title of the farm bill as reported by the Agriculture Committee is particularly weak in comparison with the major commodity titles. In at least two crucial respects, the committee bill is imbalanced in favor of cotton and wheat, and discrimination against producers of feed grains.

First of all, in the farmers of my State, the feed grain farmers generally feel deeply about this. Only feed grains are singled out and divorced from the principle of parity.

Under the Senate bill, the payment to cotton farmers would be the larger of 35 cents per pound or 65 percent of parity. For wheat, the price to the farmer on his domestic acreage would be supported at full 100 percent of parity. Furthermore, the $1.25 per bushel loan floor on wheat, together with parity support on domestically marketed wheat, tends to provide a blend price guarantee to the farmer. Feed grains alone—which, incidentally, were a $288 million business in Minnesota last year—are completely unrelated to parity, and are singled out for a program which is unrelated to parity. I am hopeful that before the Senate debate is over, that might be in it.

AMENDMENT NO. 902

In that regard, at this point, I submit an amendment under the chief sponsorship of the Senator from New Mexico, (Mr. MONTOYA), joined in by myself, and Senators PROXMIRE, HARRIS, MCGOVERN, YARBOROUGH, HUGHES, MCGEE, ANDERSON, NELSON, SYMINGTON, EAGLETON, GORE, BURDICK, HARTKE, BAYH, and we hope several other Senators.

I send this amendment to the desk at this point in my remarks.

The PRESIDING OFFICER. (Mr. GRAVEL). The amendment will be received and printed and will lie on the table.

Mr. MONDALE. Mr. President, this amendment would amend the present agriculture bill to provide that feed grains should be supported at $1.35 per bushel or 77 percent of parity prices for the commodity and 50 percent of the farm base acreage for the commodity, to yield per acre as established pursuant to paragraph 2 of this subsection, whichever is the greater and this will be, I think, the key issue involved in the consideration of this farm bill insofar as I am able to determine it. I will be discussing that amendment further on in my remarks.

Second, the bill contains limitations on the maximum permissible set-aside for cotton and wheat, but no limit for feed grains. The House bill limited the set-aside for cotton to 33⅓ percent of base acreage, the Senate committee reduced this to 12½ percent. On wheat, the Senate bill sets 75 percent of the farm domestic wheat allotment as the maximum set-aside that can be required by the Secretary of Agriculture. The absence of a comparable ceiling on set-aside for feed grains means that the Secretary can require diversion of feed grain acreage that ought to be diverted from the bases of other commodities.

The amendment proposed by Senator MONTOYA, which I have introduced on behalf of the Senator from New Mexico (Mr. MONTOYA), myself, and others which, in my opinion, is a reasonable step toward placing the feed grain farmer on an equal basis with cotton and wheat. The Montoya amendment guarantees for the duration of the 1970 Agricultural Act, a total level of support for feed grains at 77 percent of parity. This amendment is not designed to increase the initial cost of the feed grain program. The 77 percent of parity, if it were in effect today, would provide a support level approximately equal to the current—1970 crop year—support price and equal to the support level for feed grains contained in the bill that we debate today. The $1.35 per bushel full parity, which is according to the present parity formula, support for corn provided in the bill is equal to 76.3 percent of $1.77, which is the parity price of a bushel of corn as of July 1970.

What the Montoya amendment provides is that the $1.35 figure—and comparable figures for grain sorghum and barley—would not remain fixed as a price support ceiling if the farmers' costs of production rise. Actual additional governmental expenditures that will be incurred if the amendment is accepted will depend primarily upon the extent of participation by farmers in the feed grains program and the rate at which the farmers' production costs escalate in 1971, 1972, and 1973.

For cotton and wheat producers, the farm bill as reported by the Senate committee contains a measure of protection against cost-of-production increases that only parity can provide. The least that we can do is to retain this same kind of partial protection for the feed grain farmer as well. Adoption of the Montoya amendment is an effective way to accomplish that objective.

I am most hopeful that that amendment will be adopted before the farm bill is accepted. I said earlier that I wished to commend the Agriculture Committee for accepting the advanced payment provision. For some years the Department of Agriculture voluntarily made advance payments to feed grain and wheat farmers. This was a very important source of assistance to farmers during the expensive early production start-up period. Millions of dollars to which farmers were entitled to under the program, which they would receive in any event, were distributed early in the season so that the farmers would have the money they need for production costs without going into the expensive private market and, in addition, to the money communities, trying to seek loans and credit that were dry and difficult to obtain.

ADVANCE PAYMENTS

I want to take this opportunity to point out the vital nature of the advance payments provision that was incorporated into the bill by the Senate committee.

In 1969, Minnesota producers received $31 million in advance feed grain payments which were immediately used in paying spring planting bills. This year—and I deeply regret the Secretary's decision in this regard and have been publicly critical on many occasions of it—in order to accommodate the administration's budget shift, grain producers were required to wait until July and August for their payments. This was an entirely unnecessary hardship for them and for the small businessmen from whom they buy their supplies, and comparable hardship was suffered by farmers in all feed grain-producing States. Under the wheat and feed grain advance payments provision added by the Senate committee—which makes such payments mandatory—Minnesota farmers participating in the two programs would receive some $70 to $80 million, about 2 to 3 months earlier than otherwise would be the case.

This is money to which the farmers are entitled in any event, and simply speeds up payments and requires payments so that it is there at the time the farmers most need it. Incidentally, since this is a voluntary program, I believe it adds to the attractiveness and, thus, to the effectiveness of the program.

In a letter to Chairman ELLENDER on the farm bill, Secretary of Agriculture Hardin objected to the advance payments provision on the ground that it would shift a large portion of the program costs from the 1972 to the 1971 fiscal year budget.

His objection involves essentially an accounting matter, a matter of timing rather than substance. Increases in the

level of expenditure—as distinguished from the timing of expenditures—brought about by advance payments would be comparatively insubstantial. In fact, the only increased governmental costs would be the interest attributable to the advance payments funds for the few months that these payments would precede payments to farmers as provided in the House bill.

This interest, carried by the Government at the current 7 percent Treasury rate, would be far less than the interest payments which would otherwise have to be borne by the farmer at the astronomical rates currently prevailing on the commercial market. For example, the median interest rate charged by the 50 production credit associations reporting from the St. Paul district on July 1 was nearly 9¾ percent interest.

At this rate, it would cost the American farmer over $42 million to borrow the necessary capital which he would otherwise receive through advance payments, to which he is entitled in any event, in wheat and feed grains. By contrast, the Government could maintain these advance payments programs for wheat and feed grains in the amount of $1.73 billion as suggested by Secretary Hardin for only $30 million in interest.

Clearly, in my opinion, this amendment increases the attractiveness and helpfulness of the program. The only argument to the contrary is a bookkeeping one. It seems to me that the Secretary of Agriculture should be worried first about the condition of the American farmer and not worried about technical bookkeeping matters. I am hopeful that this amendment will stay in the form it is as adopted by the Senate Agriculture Committee.

This is a miniscule cost for a program which is absolutely essential to the farmer's springtime planting efforts. To deny the advance payments program is to place a far greater cost—over $40 million—on the American farmer who, as I have shown, has already suffered disproportionately from today's vicious cost-price squeeze.

I know that, in reinstating advance payments in the bill, the Agriculture Committee of this body looked beyond the narrow fiscal and bookkeeping considerations that apparently motivated the opposition of Secretary Hardin. I urge my colleagues in the Senate to follow the leadership of the Agriculture Committee on advance payments, and to do all that can be done to retain this provision when we go to conference with the House of Representatives on the farm bill.

RURAL DEVELOPMENT

Mr. President, I wish to also call to the attention of my Senate colleagues, title IX of the farm bill (H.R. 18546) entitled "Rural Development." This title was introduced in committee by the distinguished Senator from Georgia (Mr. TALMADGE).

It is directed toward solving some of our Nation's basic problems; overcrowding of people in our large cities and the neglect and decay of many of our smaller communities and rural areas. Although the big migrations of the 1940's and 1950's from rural to urban America have subsided to a large extent, a steady and sizable movement continues.

A few quotes from the lead section of this title makes the point well:

Presently 20 percent of the adult urban population are former rural residents. . . . By the year 2000 or soon thereafter, 100 million more Americans will be added to the 140 million already living in our cities and suburbs. . . . Unless this nation . . . reverses the present trend toward excessive concentration of population, 240 million people will be crowded together in four great strip cities. . . . Already 70 percent of our population lives on less than 2 percent of our land.

Mr. President, I not only wish to commend the Senator from Georgia and the Agriculture Committee for adding this title to the farm bill, but wish to call on each of my Senate colleagues to give it their strongest support. National policy, plans and programs directed at reversing these disastrous settlement patterns are desperately needed, and now.

The specific actions which this title embodies are clearly in tune with such objectives. They include:

First, requiring all executive branch departments and agencies to establish policies and procedures with respect to the location of all new facilities in areas or communities of lower population in preference to those of a higher population density.

Second, a strengthening of the Federal nonmetropolitan multicounty planning and development program under the Housing and Urban Development Act of 1968.

Third, a report from the USDA and other Federal agencies as to what policy and development assistance, including informational and technical assistance, is being provided to smaller communities to help them overcome many of the deficiencies they are confronted with in that regard.

Fourth, a report on the extent to which Federal programs are being made available to rural areas, including what the executive branch plans to do about the establishment of outreach efforts where and when needed in that regard.

Fifth, request the President to present his recommendations to the Congress on how the Farm Credit Administration and other agencies of the U.S. Department of Agriculture might be utilized in meeting the financial and capital investment needs of rural America.

All of these actions are important to our achieving a "rural-urban balance" in this country; something, Mr. President, we must commit ourselves as a nation to accomplish. I submit that unless and until we do so, the problems of both our cities and rural areas will continue to grow larger and more devastating in character.

Finally, Mr. President, let me again appeal for enactment of the strongest possible farm bill. Our farmers wish it and they deserve it. I recently received a telegram signed by more than 2,000 upper Midwest citizens requesting my support for such a strong farm bill including the parity principle for feed grains. I ask unanimous consent that the telegram be made a part of the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

To Members of the U.S. Senate:

We, the undersigned, regard it as absolutely necessary that action be taken by this session of Congress on long-range farm legislation, since the Agricultural Act of 1965 expires at the end of this year.

Because farm costs continue to rise constantly, the farm legislation which is adopted this year should make provision to increase farm income in line with our rising costs.

Feed grains producers ought to be entitled to the same consideration as cotton and wheat farmers in terms of tying the support program to parity, but this is not provided in the House bill or in the version approved by the Senate Agriculture Committee. The 1970 legislation should also preserve effective production controls on a commodity by commodity basis and should at least raise price or income levels sufficiently to keep pace with spiraling costs.

Mr. MONDALE. Mr. President, once again I express my appreciation to the Committee on Agriculture and Forestry and to its chairman.

I am hopeful that during the next day or two during which we consider this bill, we will end up with the strongest possible farm legislation.

Mr. HOLLAND. Mr. President, I think it would be most inappropriate for me at this time to discuss in detail any portion of this bill.

I simply call attention to the fact that in my judgment it is absolutely essential for this Congress to enact a farm bill to take the place of the 1965 act as extended, which will expire at the end of this year.

I call attention to the alternative that faces us if we do not enact a reasonable price support for the three principal commodities which are contained in this bill and which are going to be the subject of debate—feed grains, wheat, and cotton.

There are, as I see it, at least two alternatives.

If we enact no legislation in this Congress, we go back to the old permanent legislation which preceded the enactment of the 1965 act. Everyone of us knows that legislation had proved in the last years of its operation to be highly extravagant and to bring about the production of surpluses which were becoming unbearable both as to their volume and as to cost.

Because of that kind of surplus, I think it would be unspeakable for this Congress to allow our country to revert to the old legislation that was in effect back in 1964.

That is one of the alternatives—and a very sure one—that exists if we enact no legislation before the end of this Congress, at midday on January 3 of next year.

The other alternative—not so certain—would be an effort in the closing days of Congress simply to extend the 1965 legislation as it has already been extended once for one additional year.

I think that would be a very hurtful step, even if it could be accomplished—and I doubt if it could be—because it has been shown so clearly that excessive payments were made to only a few in terms

of that legislation. Even if many of the objectives of that legislation were accomplished by the reduction of surpluses on the one hand, when that legislation was enacted, even if it were possible to extend that legislation for an additional year, I think it would be hurtful to all agriculture in this Nation because of the hugely excessive payments to just a few people which had resulted under that legislation.

Everyone who has followed this question at all knows that the size of those payments—some of them going up to $3 million or $4 million to a farmer—has resulted in much of the confused thinking and much of the opposition from people who know little about the subject and much of the dissatisfaction with the 1965 legislation as extended.

It seems to me that is the second alternative which might possibly confront us if we enact no new legislation prior to the final adjournment of this Congress. For that reason—and not because I am fully satisfied with all of the provisions of this bill, I do not believe there is any member of the Committee on Agriculture and Forestry who was fully satisfied with all of its provisions—I am supporting the bill, believing that it should go promptly to conference, since there will not be unanimity there. We know that some changes will have to be made.

I hope that in conference we can help to draft a bill which will be more acceptable from all points of view and will prevent either of the two alternatives which I have just mentioned. I think that either of those alternatives would be very hurtful to agriculture and that the first of them would be very hurtful to our entire Nation.

So, I support wholeheartedly the plea of our distinguished hardworking chairman, the Senator from Louisiana (Mr. ELLENDER), as echoed by the pleas of the distinguished Senator from North Dakota, the distinguished Senator from Vermont, and the distinguished Senator from Georgia—all of whom are ranking members of the Committee on Agriculture and Forestry—that we enact this legislation promptly, send it to conference in the hope that we may avert—because we must avert—either of the alternatives which I have just mentioned.

Mr. President, I yield the floor.

Mr. COOPER. Mr. President, I am not a member of the Committee on Agriculture and Forestry. Once I had the honor of serving as a member of that committee for 5 years. I shall always remember it as one of the most interesting and, I hope, helpful periods of my service in the Senate.

I wanted to be here this evening as we commenced the debate upon the farm bill so that I could say on behalf of the farmers in my State that they are tremendously interested in the enactment of a farm measure at this session of the Congress because, as all of the others who have spoken have said, it would be very critical if a bill were not enacted and we were to have to revert to the old program which was in effect prior to the adoption of the present program.

I was on the Agriculture and Forestry Committee at the time these present programs were adopted. Our State, although it is not the largest producer of any of the basic commodities, very interestingly produces all of the basic commodities—corn, tobacco, wheat, milk, wool, cotton—all except peanuts and rice.

Approximately half of the income of Kentucky is still represented by farm production. So, we are very interested.

I would like to say, as I have said so many times, that I would like to pay my words of appreciation to the members of the committee for their tremendous interest which has existed over so many years in the field of agriculture.

I remember serving under the committee chairman, the distinguished Senator from Louisiana (Mr. ELLENDER). I think he has held the chairmanship of the Committee on Agriculture and Forestry for longer than any other person in the history of Congress.

His fairness and his knowledge have resulted in helping every farmer in this country.

I speak also in the same way of the Senator from Vermont (Mr. AIKEN) on the Republican side, and my dear friend from North Dakota (Mr. YOUNG) on the Republican side whose interest in the great crops in the West, particularly wheat, also helped all farmers of the country. I also speak in the same way of the Senator from Florida (Mr. HOLLAND), the Senator from Georgia (Mr. TALMADGE), and the Senator from North Dakota (Mr. BURDICK), and those who have spoken and who will speak.

I have a few questions. I will not ask them this evening but I shall ask them later during the debate.

I am glad that in the report of the Committee on Agriculture, and in the statement made by the distinguished Senator from Louisiana, and the statement made by the Senator from North Dakota they brought to the attention of the country that despite the cost squeeze the American farmer still produces food at a cheaper cost to the farmer which enables the consumer to buy food, in proportion to his spendable income, at a cost less than any other country or area in the world, even though there has been added on the cost of fancy processing and other costs.

I am glad I was here to hear these presentations. I will postpone my specific questioning until some later time but I did want to pay tribute to the Committee on Agriculture for the great work it does for the farmer and for this country.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. YOUNG of North Dakota. Mr. President, may I express my appreciation for the kind remarks of the Senator from Kentucky (Mr. COOPER) for my efforts on behalf of agriculture.

The Senator from Kentucky rendered distinguished service as a member of the Senate Committee on Agriculture and Forestry and probably holds the record for being one of the most effective farmer legislators. The basic tobacco law he wrote in 1948 is still on the record books and is practically unchanged. I think that is a record for any farm program.

THE IMPORTANCE OF ADVANCE PAYMENTS TO WHEAT AND FEED GRAINS PRODUCERS

Mr. BURDICK. Mr. President, at this time I would like to add my support to a very important provision of the Agricultural Act of 1970 as it was reported by the Committee of Agriculture and Forestry. That provision has to do with the making of advanced payments to wheat and feed grains producers. These payments are essential, not only because of high production costs and high interest rates charged to farmers for short-term loans, but also because of the difficulty of many of our producers—both large and small—in getting any credit at all.

During hearings earlier this year on the agricultural appropriations bill, a Department of Agriculture spokesman stated that the rise in use of agricultural credit has been slower over the past few years partly because of a scarcity of available credit. A tight money situation has forced many commercial banks to restrict the amount of credit advanced to agriculture. Life insurance companies have reduced their allocation of funds to farm loans as a result of more attractive investments elsewhere.

Yet the demand for capital grows by leaps and bounds each year, as the trend toward commercialized and specialized farming calls for increasing amounts of purchased inputs. Large quantities of capital are needed by farmers and their cooperatives to expand their output to meet the needs of a growing population and of a large export market for food and fiber products, and these expenditures fall heaviest in the early part of the crop year. With farmers now buying a larger portion of their inputs, substantial operating capital is required to assure that supplies, equipment, and labor will be available when needed.

Along with the condition of scarcity, money has become more expensive. Interest rates paid by farmers increased sharply during 1969 and 1970 and in many parts of the country reached their highest levels in more than 50 years. At the end of 1969, farmers were paying interest rates of 7 to over 10 percent on short-term operating loans as compared with 6 to 8½ percent a year earlier. July 1, 1970 figures show that the average rate for short-term operating loans to farmers is commonly 9 to 10 percent with some PCA's reporting rates as high as 11¾ percent in some parts of the country. In a letter to Senator ELLENDER earlier this year, one farmer complained that in 1959 his interest expense had been $3,579, and by 1969 his farm interest cost was $14,573. His description of these costs included the word "brutal". I would certainly have to agree. Prospects for the future are not very encouraging. The Department of Agriculture predicts that the use of farm credit and farm debts will continue to rise. Many purchased items will show an increase in prices to the farmer, and farm wage rates will increase. The purchase of new equipment, the replacement and repair of worn equipment, and the expansion of farm

operations will continue to demand costly inputs, and the need for operating cash and credit will increase accordingly.

Mr. President, it is to these problems that the advanced payments provision of the bill are addressed.

Preliminary, or advance payments to farmers for their participation in agricultural programs will not solve the problem of high interest rates and short supply of credit. But these payments have been used for several years now to help feed grain and wheat producers finance operations in the early part of the crop year. Last year, the Department's decision to forgo advance payments worked tremendous hardship among producers who were unable to make short-term loans, or who—if they were able to do so—had to pay ruinous rates of interest.

The proposed Agricultural Act of 1970 which has been reported to the Senate contains provisions for both wheat feed grains which would remove the uncertainty concerning advance payments which producers faced last year. Title IV of the bill provides an advance payment equal to 50 percent of the estimated domestic certificate rate, plus 50 percent of the estimated diversion payment, for 1971 crop wheat. For the 1972 and 1973 crops—assuming that wheat farmers accepted the program—advance payments would be 75 percent of the certificate value, plus 50 percent of the estimated diversion payment. Both of these plans provide for advance payments to be made within 60 days following signup by the producer.

The feed grain section, which is title IV of the committee's proposed bill, provides that advance payments to feed grain producers will be paid within 60 days after signup in the program. The advance payment for feed grains, in the committee's bill, is to equal the 32-cent guaranteed price support payment for corn, and comparable rates for sorghum and barley.

Mr. President, the proposal to insure advance payments to wheat and feed grain producers will be welcome news to nearly 1.6 million feed-grain producers and nearly 1 million wheat growers who voluntarily participate in these programs. The provisions in the Senate bill differ somewhat from those contained in the bill passed by the House of Representatives.

The House-passed bill provides for advance payments to be made to wheat- and feed-grain producers as soon as possible after July 1. It seems to me that the Senate committee's proposal—payments to be made within 60 days after signup in the programs—would get the money to producers at a time when his need is greatest, and obviate his need to search for short-term production credit.

I believe the committee's proposal meets the approval of producers throughout the country. I urge Senators to support this badly-needed provision.

Mr. FANNIN. Mr. President, Arizona is one of the Nation's leading cotton-producing States. Cotton is the second biggest source of farm income and provides more than 20 percent of the total agricultural wealth each year in our State.

Over the years there has been extensive debate concerning the payment of price supports, usually referred to as subsidies. Critics complain that rich farmers are receiving hundreds of thousands of dollars. This is a very much misunderstood assumption.

Billions of dollars of public money have been used in an effort by Government to support particular sections of the economy. These programs have not been notably successful. The taxpayer resents paying subsidies—and the recipient resents the governmental restrictions and controls that invariably accompany governmental subsidies.

Responsible representatives of American agriculture are convinced the present program is troublesome, that it has on balance been a great problem, and that agriculture should be returned to a free market in an orderly manner.

I agree with that conclusion, but I must emphasize that for almost 40 years we have used the power of Government regulation and Government subsidy to inhibit the American farmer.

It has taken us 40 years to arrive at the situation which now confronts us, and in returning the farmer to the free market we must proceed with caution. To end the farm subsidy program tomorrow would create chaos, and would inflict grave injury on American agriculture.

Our first step must be to declare unequivocally that it is our aspiration and our intention to move to eliminate the inhibiting controls, end the subsidies, and to reestablish the American farmer as an independent member of the free market, free enterprise system.

We all have nostalgic memories of the family farm. Thirty-five years ago there were 32 million Americans, 25 percent of our population, living on farms. They were having a difficult time making ends meet. The technological developments were threatening to overwhelm them, so the Government launched its program of subsidy to make it possible for the family farmer to survive.

Today there are only about 10 million of our people living on farms. This amounts to 5 percent of our present population.

Farms have become mechanized. Farming has become a scientific, single-product operation, and no longer does the subsistence aspect attract the farmer. The family cow and the family pigs and the family garden have given way to the industrialized farm supervised by graduates in agriculture and horticulture and supported by scientists and the new fertilizers and the new seeds.

As the result of these improvements, the number of individual farms has dropped from 6.6 million to less than 3 million, but our agricultural output has almost doubled. No nation has a better record for producing the feed and fiber necessary to support its population.

Farm employment has declined from 12 million to under 5 million. Fifteen percent of the Nation's farms today produce

In all the condemnation of subsidies 70 percent of the Nation's farm output. and the recommendations of changes in the farm program there is one goal they have not fully reached, the stabilization of farm income at a level which would allow a decent standard of living across rural American.

Farmers have been caught in a vicious cost-price squeeze since 1953. In the past 10 years interest rates have gone up 300 percent and taxes about 200 percent. The parity ratio which describes the relationship between the prices paid by farmers and the prices received by them is equal to its lowest level since 1933—about 74 percent.

The average cost to produce cotton in the Western irrigated land areas is nearly 32 cents a pound. The world price is about 22 cents a pound. The cotton subsidy is in the form of a 16.8 cents payment a pound. But it applies only to 65 percent of a grower's cotton allotment. For a grower's total production, the subsidy figures out to 10.92 cents per pound. So if you take the world price of 22 cents a pound and add the subsidy, you come up with 32.9 cents, or about break even. Some farmers, of course, produce at a smaller cost and some are over that.

Keeping these facts in mind, let us take a look at the farm bill we are considering. We have narrowed the issue considerably—we are no longer talking about subsidies of millions or hundreds of thousands. We are no longer talking about $75,000 or $100,000. Right or wrong, we are talking about $55,000 per crop as the top figure.

To propose a limitation of anything lower than $55,000 would, according to the Secretary of Agriculture, jeopardize the chance of bringing about a balance of supply and demand.

This Nation which depends so heavily on agriculture for power at home and abroad cannot afford to create an imbalance in agriculture which would in turn destroy the greatest agriculture machine in the world, a machine which has meant so much to America in time of war and in time of peace.

The most immediate victims of drastic change in the subsidy program would be individual cotton farmers, their employees, and businesses which depend upon this industry. Farmers not only have their livelihood at stake—they also in many cases must pay on the debt on their land and pay off loans carried over from previous years.

Let us take a look at what sharply curtailed subsidies would mean to a single Arizona county.

Pinal County in Arizona has an upland cotton allotment of 82,021 acres. A $20,000 payment limitation would reduce this to 47,468 acres.

A $20,000 limitation would affect more than half the county's cotton farmers. In 1969, subsidy payments of more than $20,000 were paid to 228 out of Pinal county's 433 cotton farmers.

A $55,000 limitation would have affected 79 of these farmers who drew larger sums.

Farm labor is a major source of personal income in Pinal County. Yet, even with subsidies, the number of farmers has dwindled by about one-fourth in the past 6 years.

When we talk of limiting farm subsidies, we are, in effect, debating the fate of many people who live on these farms and small cities such as Coolidge and Casa Grande.

Any changes should be made in a manner that will allow farming counties, such as Pinal, to readjust its economy.

Many of us in the Senate joined together with the late beloved Senator Dirksen in sponsoring legislation to phase out the subsidy program over a period of years. This was intended to give the farmer a chance to change to other crops where possible so that he would have an opportunity to salvage his investment which in many instances represents a lifetime of work. This phase-out program was not adopted but I trust full consideration will now be given to not dropping below the $55,000 per crop limitation.

There are many illustrations I could give of the hardships that will occur even at the $55,000 level. For example, several Indian tribes in Arizona are about to be seriously affected by this legislation.

To illustrate hardships resulting from a deeper cut in subsidy I ask uanimous consent to have printed in the RECORD a letter received by me from the Salt River Pima Maricopa Indian Council demonstrating the tremendously detrimental effect this would have on the reservation's economy.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY,
Scottsdale, Ariz.

DEAR SENATOR: We note that there is again discussion concerning a $20,000.00 limitation upon crop price support. This comes at a time when most harmful to the Salt River Indian Community. The Community is located in Arizona adjacent to Phoenix. Our development is basically agriculture, we have some sand and gravel and some commercial development which is for the most part on community lands. We have just completed a general plan in which we have stated a desire to utilize individual Indian lands for agriculture and community lands to produce income for capital improvements; the imposition of a $20,000 limitation upon agriculture price support will harm us because our lands are held in 10 and 20 acre tracts (which are uneconomic for cotton or any other agricultural pursuit) and we of a necessity must combine our holdings to produce the highest return.

Western Farm Management in a November 1962 Feasibility Report Tribal Farming Enterprise Salt River Indian Reservation stated:

"1. *Organization*:

There appear to be several underlying reasons for considering a change from the present agricultural lease situation to be a unified, or corporate-type, farming enterprise on the Salt River Reservation: (1) to return the control of the land to the Indian Community; (2) to improve the basic income of the individual landowner through increased returns and work opportunities; and (3) to gain experience in operating and managing a large, going business which later can be applied to other commercial enterprises that may be more productive than agriculture.

Considering this latter point very carefully, it is of utmost importance that the proposed agricultural enterprise be as successful as possible, since its progress will set the pattern and mood for future development of the Reservation along other lines. And it logically follows that the success of the farming program will set the pattern and mood for future development of the Rererva-tion along other lines. And it logically follows that the organization presented here is predicted on two things: (1) basic control of the enterprise is to be in the hands of the Indian Community, and (2) operational control is to be carried out by paid professional management."

During the past three years the Salt River Land Board commended the implementations of the recommendation of that report. We have sixteen units, twenty-eight spokesmen and expect by the end of this year to have a maximum of 5 farms and a utilized land management unity as contrasted with 134 leases and 17 separate farms in 1962. We have raised the combined 1813 individual Indian people's income by over $100,000.00 during the past three years.

The Salt River gross agricultural rent income is approximately $550,000.00; price support approximates $375,000.00; it can be expected that rents will be reduced if price supports are limited to $20,000.00.

We ask that you vote against the limitation or make an exception for the lands of the Salt River Indian Community so as not to destroy our work of the past three years and at the same time insure the success of our work. The pattern and mood for future development is set—please do not destroy it by placing a price support on Salt River Indian Community lands.

Signed,
MR. HAROLD R. SCHURZ,
President, Salt River Pima-Maricopa Indian Council.
MR. BILLMAN HAYES, Sr.,
Chairman, Salt River Land Management Board.

Mr. FANNIN. Mr. President, I have another letter I wish included in the RECORD showing the hardships the subsidy limit could cause in the Gila River Indian community. This letter was written at the time it appeared the House might adopt a $20,000 limit, and so it is pertinent now to arguments over whether the limit should be trimmed below the $55,000 level.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GILA RIVER INDIAN COMMUNITY,
Sacaton, Ariz., July 15, 1970.

Hon. PAUL FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: We understand that H.R. 17923 would limit cotton subsidy payments to $20,000 for a single farm. This would be *disastrous* for the Gila River Indian Community. At present most of the income of the Gila River Indian Community comes from the 15,000-acre community farm (tribally owned) and large agricultural lease operations. This income would practically be eliminated if the proposed legislation with the $20,000 limitation is passed. The income of some 1,000 Indians leasing their own small 10-acre farms with cotton allotments would be practically eliminated. Our agricultural workers would be without jobs.

The results of this would be poverty and increasing welfare rolls for our Indian population and the halting of most of the progressive development programs being undertaken by the Gila River Indian Community. As pointed out by President Nixon, Gila River Indian Community is making real progress. This momentum should not be lost or curtailed now.

Because of water costs and other factors, cotton in Arizona can only be farmed successfully in large unitized operations. The proposed legislation would make such operations impossible.

I can speak for the 7,000 Indian residents of the Gila River Indian Community in requesting that you do everything possible to have the legislation amended to exempt Indian Reservation lands from the limitations in the bill and to make the bill more equitable for all farmers.

Very truly yours,
ALEXANDER LEWIS, Sr.,
Governor, Gila River Indian Community.

Mr. FANNIN. Mr. President, the problems facing farmers today result from years of legislation by Congress. To curtail subsidies overnight would be unfair and disastrous.

STATEMENT BY NATIONAL FARM COALITION

Mr. ANDERSON. Mr. President, Senator MONTOYA had intended to be present today, but his plane had engine trouble, and he has been delayed in arriving in Washington until late tonight. He has requested that I place in the RECORD in his behalf a statement of the National Farm Coalition on the Senate farm bill.

Therefore, in his behalf, I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE NATIONAL FARM COALITION ON SENATE FARM BILL

The National Farm Coalition commends the chairman and members of the Senate Agriculture and Forestry Committee for improving the farm bill passed by the House of Representatives. We sincerely and strongly urge the Senate to further improve the bill by approving the Montoya Amendment to maintain feed grains income. The amendment will restore the parity concept for feed grains, applying the same principle of parity relationship as is provided for wheat and cotton.

We must oppose attempts to weaken the bill by:

(1) Removing advance payments for wheat and feed grains producers.

(2) Removing or lowering loan floors and/or removing the parity concept from price supports for cotton and wheat.

(3) Substituting the "set aside" land retirement plan for the supply management features now in the bill for wheat and cotton.

The bill now before the Senate—even with the improvements made by the Committee—does not provide the improvement in farm income that is so badly needed. It could well result in lower feed grain income because the Feed Grain title makes no provisions for compensating for rising costs as provided for in Wheat and Cotton titles. It retains the questionable "set aside" land retirement plan as the mechanism for supply management in feed grains.

It is inconceivable that the Congress could approve legislation in this uncertain period of spiraling inflation and rising costs that would provide less income than farmers now have under existing legislation.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until 9:45 a.m. on Wednesday.

Mr. GORE. I object.

The PRESIDING OFFICER. Objection is heard.

STATUS OF UNFINISHED BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the unfinished business is laid aside temporarily tomorrow that it remain in that status until the conclusion of morning business on the following day.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD of West Virginia. Mr. President, I have been authorized by the majority leader to state that although the unfinished business is to be laid aside not later than 5 o'clock tomorrow afternoon, Senators should be on notice that it might very well be laid aside earlier and that consideration might resume on the farm bill in the early afternoon.

The reason being that today not very much progress was made on the consideration of Senate Joint Resolution 1. We had one recess during the day. There were two live quorums. The second live quorum began around 4:30 and was completed 56 minutes later. So, it is the leadership's feeling that if we are going to complete action on the farm bill tomorrow, we may have to resume consideration of it much earlier than 5 o'clock.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. ELLENDER. I express the hope that we can start earlier tomorrow afternoon because of the importance of having this bill sent to conference. Time is going by. With the limitation of debate that has been agreed to, it would seem that there is no reason why we should not enact the farm bill tomorrow. As far as I am concerned, I am willing to stay here late in the evening so as to accomplish that objective.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. GORE. Only late last week there was an agreement that the proposed constitutional amendment would be considered, as I understood the agreement, according to the information sheet that was presented to my office, until 5 in the afternoon. At 5 o'clock the proposed amendment would be laid aside and other matters on the calendar would be considered. I made my arrangements accordingly.

Every Senator knows that a filibuster is under way against the proposed constitutional amendment. No secret is involved there. So I announced to my people, who have a right to have my views presented in an election contest, that I would be in Tennessee in the forenoon, but that I would be on the floor of the Senate by 5 each afternoon for the votes on legislation.

I arrived at 5 this afternoon and made the quorum when I answered "present." And now the rules are changed. I am going to be in my State tomorrow morning for a very important engagement at noon. Fortunately, the plane service is such that I can leave the luncheon and be here at 5. But now we are advised that the rules are changed. I do not know what the leadership on either side of the aisle has in mind. I cannot be here until about 4:30 tomorrow.

I am intensely interested in the farm bill. I have voted for every farm bill since I have been in the House or the Senate. I want to vote for this one. But this sudden change of rule and of understanding places those of us who must of necessity seek election in 1970 at a decided disadvantage.

We had an understanding, by which I have tried to abide. I did abide by it. I will tomorrow, if we stay with the understanding.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. ELLENDER. I simply express the hope, I say to the Senator from Tennessee, that we may start earlier. I would be the last one on earth to break the agreement just indicated. If the Senator can be here a little earlier than 4:30, let us try to do so, so we can get through with this very important piece of legislation.

Mr. GORE. I understood a little earlier in the evening that we would have a session tonight. I am prepared to stay here until midnight to do business. But now we are suddenly advised the agreement is no more.

Mr. ELLENDER. I would not say the agreement is no more. If the Senator will look around, he can see why we are not having action. We had a little difficulty getting action at 5. So we hope that, come tomorrow, we will have a new day. If we can start at 4 or 4:30, I would suggest that the Senator from Tennessee try his best to get here.

Mr. GORE. If the Senator will agree to talk until 4:55, until I can arrive, my temper will cool.

Mr. ELLENDER. I feel confident that, come tomorrow, we will have more Senators in attendance. It is my sincere belief that, with all the Senators who have spoken here this afternoon and with the limitation of debate agreed on today, we ought to get through the farm bill tomorrow evening.

Mr. BYRD of West Virginia. Mr. President, I would like to second the expression of hope that the Senator from Louisiana has just made.

I do not believe any ironclad agreement was nailed down in the Senate that we would stay on Senate Joint Resolution 1 each day until 5 o'clock. I think the understanding was that we would stay on that measure until circa 5 o'clock in the afternoon, under the assumption that there would continuously be business transacted on that particular measure until 5 p.m.

It was also understood, and it was scheduled, that the farm bill would be acted upon this evening and completed tomorrow evening. There was no hard and fast rule to that effect, but that was the way the leadership scheduled it.

If we are going to complete action on the farm bill by tomorrow night, the Senate cannot dillydally, as it has today, on Senate Joint Resolution 1. There were times during the day when no Senator on either side of the question was here to speak. I recessed the Senate once during the afternoon. I also spoke during the afternoon on an extraneous matter. It is just because of the slugguish performance today, may I assure the Senator from Tennessee, that the leadership feels that, in the good interests of all Senators, and in the interest of expediting the business of the Senate and getting our work done, we ought to put Senators on notice that there is a very good likelihood that tomorrow afternoon the farm bill will be called up and action on it will be resumed at any time during the afternoon, earlier than 5 o'clock.

The leadership would not want to inconvenience the Senator from Tennessee. I would not want to. I am staying on the Senate floor all the time. I am running for re-election, likewise this year. Yet, I am here trying to accommodate myself to every other Senator's needs. But, be that as it may, I am sorry if the Senator from Tennessee feels that there was a rule or an agreement to the effect that we would not lay Senate Joint Resolution 1 aside until 5 o'clock in the afternoon of every day.

I can understand how he might have gotten that impression. I suppose that might have been the general understanding. But when we reach a situation such as we had today, when much time was wasted because Senators did not appear disposed to speak the full time on Senate Joint Resolution 1, I think the leadership is justified in trying to speed up the work. The Senator from Tennessee was not at fault. He was the Senator who made the quorum, and he is here at this hour ready to do business.

So it matters not how one cuts the cake here, I suppose; we are bound to inconvenience some Senator.

I hope the Senator from Tennessee will cool his temper by tomorrow morning. He is a very gracious, congenial, and affable Senator, and I hope he will appreciate the position that the leadership is in, in its efforts to try to get on with the business of the Senate.

Mr. President, having said that, I renew my hope that all Senators will be on notice that, depending upon the circumstances tomorrow, the farm bill may be laid before the Senate at any time during the afternoon before 5 o'clock, and business may be resumed on that bill—as I say, depending upon the circumstances of tomorrow, which we cannot foresee today.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. GORE. The able Senator has used two terms. He said a moment ago the understanding was that the farm bill would be considered and completed Monday evening and Tuesday evening. Now he says we will take it up Tuesday afternoon. I do not know just what hour constitutes afternoon and what hour constitutes the beginning of the evening. I wish to be here for the consideration of the farm bill.

I understood last week, as the Senator said a few moments ago, that the farm

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of September 15, 1970
91st-2nd; No. 160

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HIGHLIGHTS: Senate passed farm bill after adopting Symington corn amendment, Percy feed grain and wheat amendment, and Javits-Goodell amendment on use of water and sewer facilities appropriations.
Sen. Bellmon hailed billion dollar a year agriculture trade with Japan and inserted speeches of Secretary Hardin and Japanese Ambassador-designate.
Rep. Mahon included latest "'budget scorekeeping report'".

SENATE

1. FARM BILL. Passed H. R. 18546, the proposed Agricultural Act of 1970, after adopting committee amendment in the nature of a substitute, as amended, and accepting the following amendments: The Symington modified version of No. 902 fixing the corn payment rate; the Percy amendment No. 891 increasing by 30% the payment rate for small feed grain and wheat producers and the Javits-Goodell amendment to provide that funds appropriated for water and sewer facilities funds in rural areas remain available until expended. pp. S15489-539. Conference requested and conferees appointed.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
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2. FOREIGN TRADE. Sen. Bellmon praised the good relations between Japan and the U. S. which produced the first billion dollar market for U. S. agricultural products and inserted in the Record the speeches delivered by Secretary Hardin and Ambassador Ushiba at the National Grain and Feed Association Luncheon held today. pp. S15426-7

3. FOREIGN ASSISTANCE. Both Houses received the President's Foreign Assistance for the Seventies message (H. Doc. No. 91-385). pp. S15405-9; H8695-9

4. EMPLOYEE RETIREMENT. Received letter from Chairman, U.S. Civil Service Commission, transmitting draft of proposed legislation to permit immediate retirement of certain Federal employees (to the Committee on Post Office and Civil Service). p. S15410

5. HOUSING. Sen. Allott related housing slumps to Federal spending policies and submitted for the Record a statement by the senior vice president of the First National City Bank of New York "Expansive Policy and the Housing Slump". pp. S15425-6

HOUSE

6. APPROPRIATIONS. Appointed conferees on H. R. 18127, the FY 71 Public Works appropriation bill. p. H8694

7. OUTLAYS. Received a communication from the President adjusting the statutory limitation on FY 71 budget outlays, pursuant to title V of the Second Supplemental Appropriations Act, 1970 (H. Doc. 91-387); to the Committee on Appropriations. p. H8783

   Both Houses received a letter from the Director of the Office of Management and Budget transmitting a report for the period ended July 31, 1970, on the operation of section 501 of the Second Supplemental Appropriation Act, 1970, establishing a limitation on budget outlays (H. Doc. 91-386); to the Committees on Appropriations. pp. H8783, S15410

8. CREDIT UNIONS. Committee on Banking and Currency voted to report (but did not actually report) S. 3822, to provide insurance for member accounts in State and federally chartered credit unions. p. D1001

EXTENSION OF REMARKS

9. BUDGET. Rep. Mahon placed in the Record highlights of the latest "budget scorekeeping report", reflecting Congressional action to date on regular appropriation bills. pp. E8201-3

10. POLLUTION. Rep. Ullman commended the efforts of Oregon in controlling air and water pollution and inserted a study of efforts to bring a pollution-ridden river back to life. pp. E8162-3

11. GREEN REVOLUTION. Rep. Fraser called attention to two reports concerning possible unfavorable aspects of the "Green Revolution". pp. E8173-5

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 15, 1970

Ordered to be printed with the amendments of the Senate

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That this Act may be cited as the "Agricultural Act of 1970".~~

~~TITLE I—PAYMENT LIMITATION~~

~~SEC. 101. Notwithstanding any other provision of law—~~

~~(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs~~

established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

~~TITLE II—DAIRY~~

~~DAIRY BASE PLANS~~

~~SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:~~

~~"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f)~~

shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary

determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers

~~under the order, shall ninety days later, pursuant to the provisions of section 8c (5) (D) of this Act, be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they were marketing milk during the representative period on the same basis as other producers under the order on the effective date of order provisions authorized under this clause (f) : *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.~~

~~The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all pro-~~

ducers. Notwithstanding the provisions of section 8c(12), and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971,

~~(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.~~

~~(e) The provisions of this section shall not be effective after December 31, 1973.~~

~~SUSPENSION OF BUTTERFAT SUPPORT PROGRAM~~

~~SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—~~

~~(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".~~

~~(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:~~

~~"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."~~

~~TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS~~

~~SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.~~

~~DAIRY INDEMNITY PROGRAM~~

~~SEC. 204. Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750) is amended by striking out the words "June 30, 1970.", and inserting in lieu thereof the words "June 30, 1973."~~

~~TITLE III—WOOL~~

~~SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:~~

~~(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".~~

~~(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "*Provided further*, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31,~~

~~1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".~~

~~(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".~~

~~(4) Designate the sixth sentence of section 703 as subsection "(d)".~~

~~(5) Designate the last sentence of section 703 as subsection "(e)".~~

~~TITLE IV—WHEAT~~

~~SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:~~

~~"SEC. 107. Notwithstanding any other provision of law—~~

~~"(a) Loans and purchases on each crop of wheat shall be made available at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.~~

"(b) If a set-aside program is in effect for any crop of wheat under section 379b (c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected

yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed,

~~crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall such committees permit the harvesting of crops from the set-aside acreage.~~

~~" (2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c) (1). The land~~

~~diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.~~

~~"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.~~

~~"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as~~

the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall issue certificates to producers,

as soon as practicable after July 1 of the year in which the crop is harvested, at preliminary face value per bushel equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop, and the face value of certificates so issued shall not be reduced if the face value as finally determined is less than the preliminary face value.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a) (1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for each crop of wheat not later than April 15 (August 1, 1970, for the 1971 crop) of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on

~~the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the national acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.~~

~~"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1971 crop, on the basis of the apportionment of the wheat acreage allotment for the 1970 crop), adjusted to the extent deemed necessary by the Secretary in order to establish~~

~~a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.~~

~~"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1971 crop, among farms in the county which had a wheat acreage allotment for the 1970 crop), on the basis of such allotment, adjusted to reflect established crop rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).~~

~~"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1971 crop, to farms which had no acreage allotment for the 1970 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production~~

of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a) (3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a) (4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b) (1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeed-

~~ing crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.~~

"~~(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant~~ the farm domestic ~~allotment, if the producer elects not to receive payment for such portion of~~

the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d (b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d (b) the following:

"Notwithstanding the foregoing, the Secretary is authorized to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974. The Secretary shall refund, for the duration of the suspension, to the processor or to the exporter the cost of the marketing certificates on all flour exported. For the purpose of such refunds, the wheat equivalent of the flour exported may be determined on the basis of conversion factors authorized by section 379f, even though certificates had been surrendered on the basis of the weight of wheat."

(3) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (c) to read as follows:

"(c) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

~~(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and~~

~~(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."~~

~~SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.~~

~~SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by the amount by which the actual total production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for the current crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.~~

~~SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (k) as follows:~~

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "*Provided*, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

~~"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.~~

~~"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than $1.35 per bushel. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.~~

~~"(2) The payments with respect to a farm shall be~~

made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (c)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines

was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c) (1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as deter-

~~mined by the Secretary. The Secretary is authorized for the 1971 and 1972 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and to plant and harvest on the set-aside acreage guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or any other commodity which he finds is not in surplus supply, subject to such terms and conditions as he may prescribe: *Provided*, That the payment rate with respect to the additional set-aside acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, and the payment shall be the rate which would otherwise be applicable if such acreage were devoted to conservation uses. The Secretary shall not permit the grazing of the set-aside acres except under such terms or conditions as may be prescribed by the county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended: *Provided*, That such committees shall not permit grazing during any of the five principal months of the normal growing season, nor shall~~

~~such committees permit the harvesting of crops from the set-aside acreage.~~

~~"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.~~

~~"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide~~

~~for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.~~

~~"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c) (4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.~~

~~"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.~~

"(c) (1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided*, That except for acreage provided for in subsection (b) (3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b) (3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b) (3).

"(3) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts

as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, pro-

~~claim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security.~~"

~~(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:~~

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided*, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic

Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. (a) The Secretary shall establish for the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basic of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national

~~cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.~~

~~"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.~~

~~"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): *Provided*, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.~~

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e) (1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in mak-

ing adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton: *Provided*, That for the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such

terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequi-

~~ties or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided*, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.~~

~~"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103 (c) (4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.~~

~~"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the~~

transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (c) reading as follows:

"(c) (1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators loans at such levels as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the estimated average world price for such cotton. The loan level for any crop of upland cotton shall be determined and announced not later than November 15 of the calendar year preceding the marketing year for such crop.

"(2) In addition, the Secretary shall make available to

~~cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one inch cotton, micronaire 3.5 through 4.9, in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to 35 cents, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the estimated production on the national base acreage allotment for the 1971 crop at the time the payment rate for the 1971 crop was announced to (ii) the estimated production on the national base acreage allotment for the crop for which the rate is being determined. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.~~

~~"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield of the acreage planted to upland cotton during the three preceding years adjusted by the Secretary for abnormal yield in any year~~

caused by drought, flood, or other natural disaster: *Provided*, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton.

"(4) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 33⅓ per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary may permit cotton or other com-

modities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and

the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (c) (6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8 (g) of the Soil

~~Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection.~~"

~~SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-inch cotton, micronaire 3.5 through 4.9, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".~~

~~SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided*, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been~~

established who has set aside the acreage required under section 103 (e).”

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

“(d) The term ‘allotment’ as used in this section includes the farm base acreage allotment for upland cotton.”

(2) By adding at the end of section 379 the following sentence: “The term ‘acreage allotments’ as used in this section includes the farm base acreage allotments for upland cotton.”

(3) By adding in the first sentence of section 385 after the words “parity payment,” the words “payments under the cotton set-aside programs,”.

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89–321 (79 Stat. 1210) is amended as follows:

By adding at the end thereof the following sentence: “The term ‘acreage allotments’ as used in this section includes the farm base acreage allotments for upland cotton.”

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of

1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

~~TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480~~

~~SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".~~

~~TITLE VIII—GENERAL AND MISCELLANEOUS~~

~~LONG-TERM LAND RETIREMENT~~

~~SEC. 801. Section 16 (e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—~~

~~(1) By inserting " (A) " after "Sec. 16 (e) (1) ".~~

~~(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".~~

~~(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".~~

~~(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "*Provided,*~~

That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the Secretary of the Interior shall jointly appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom they may consult on this program, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in the program by assisting the Department of Agriculture (a) to provide technical assistance for wildlife and habitat improvement practices, (b) to review

~~applications of farmers for the public land use option and select eligible areas based on desirability of wildlife habitat, (c) to determine accessibility, (d) to evaluate effects on surrounding areas, (e) to consider esthetic values, (f) to check compliance by cooperators, and (g) to carry out programs of wildlife stocking and management on the acreage set aside. The Secretary and the Secretary of the Interior shall jointly issue regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."~~

~~(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."~~

~~(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."~~

~~(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action~~

~~will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements.~~"

~~(9) By adding a new paragraph (6) to read as follows:~~

"~~(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such

~~action. The term 'rural areas', for the purpose of this subsection, shall not include any area for use by any city or town which has a population in excess of 5,500 inhabitants. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate.''~~

~~(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreement with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such~~

years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 through 1973 crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located

~~(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.~~

~~(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.~~

~~(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.~~

~~(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.~~

~~(f) The provisions of this section shall not be in effect after December 31, 1973.~~

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage or required diversion for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: Provided, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agree-

ment Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk; which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer

reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period, and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy

farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facili-

ties from which they are delivering milk under the order during the representative period on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): Provided, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all producers. Notwithstanding the provisions of section 8c (12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately ap-

proved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

"In the administration of this section 8c(5) after the enactment of the Agricultural Act of 1970, the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders that was maintained prior to such enactment."

(b) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(c) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of

1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, 1973.".

(b) The first sentence of section 1 of said Act is amended by inserting "and manufacturers of dairy products" after "dairy farmers", and by inserting "or dairy products" after "their milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.".

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "Provided further, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "Provided, That for the three marketing

years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 400. Subtitle A of this title shall be effective for the 1971 crop of wheat. The Secretary shall conduct a referendum, by secret ballot, of farmers to determine whether for the 1972 and 1973 crops of wheat they favor the program provided for by subtitle A or the program provided for by subtitle B. Any producer who has a farm acreage allotment shall be eligible to vote in such referendum. The Secretary shall proclaim the results of such referendum within thirty days after the date of such referendum and if the Secretary determines that the program provided for by subtitle B is favored by

(i) a majority of the producers voting in such referendum, and

(ii) the producers of more than 50 per centum of the wheat produced by producers voting in the referendum during the most recent calendar year for which production records are available,

subtitle B shall be effective for the 1972 and 1973 crops of wheat. Otherwise subtitle A shall be effective for the 1972 and 1973 crops.

Subtitle A—Program Similar to 1970 Program

SEC. 401. (a) The Food and Agriculture Act of 1965, as amended, is amended—

(1) by deleting "through 1970 crops" wherever it appears in section 506 and substituting "through 1973 crops";

(2) by deleting "years 1966 through 1970" wherever it appears in sections 501 and 502 and substituting "years 1966 through 1973";

(3) by deleting "in the calendar years 1964 through 1970" in section 501 and substituting "in the calendar years 1964 through 1973";

(4) by deleting "through 1970" in section 505 and substituting "through 1973";

(5) by deleting "years 1967 through 1970" and substituting "years 1967 through 1973" in section 506;

(6) by deleting "through the 1970" and substituting "through the 1973" in section 516.

(b) Section 107(1)(b) of the Agricultural Act of 1949, as effective through the 1973 crop, is amended by inserting after "not in excess of the parity price therefor" the following: "nor less than $1.25 per bushel".

(c) Price support loans with respect to the 1971 through 1973 crops of wheat shall be made available on wheat stored on the farm where produced, and price support loans on wheat of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for wheat.

(d) The Secretary shall advance to producers, within sixty days following signup for each of the 1971 through 1973 wheat programs, an amount equal to not less than 50 per centum of—

(i) the Secretary's estimate of the face value of certificates to be issued under section 379c(a) of the Agricultural Adjustment Act of 1938 with respect to such program (to be repaid through the withholding of certificates for such crop having a face value equal to such advance), and

(ii) the payments to become due under section 339 of such Act with respect to such program.

Subtitle B—Set-Aside Program

SEC. 402. Effective only with respect to the 1972 and 1973 crops of wheat and only if this subtitle is effective with respect to such crops, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at such level, not in excess of the parity price therefor nor less than $1.25 per bushel, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

"(c) Price support loans with respect to the 1972 and 1973 crops of wheat shall be made available on wheat stored on the farm where produced, and price support loans on wheat of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with

the effective and efficient conduct of the price support programs for wheat."

SEC. 403. Effective only with respect to the 1972 and 1973 crops of wheat and only if this subtitle is effective with respect to such crops, sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1972 and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop: Provided, That the face value with respect to any producer on a farm with a farm domestic allotment not in excess of one hundred and sixty acres who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary (not to exceed 75 per centum of such allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-

conserving uses, as determined by the Secretary. The Secretary is authorized for the 1972 and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the

producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community. The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within sixty days following signup for the program.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as

the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall advance to producers, within

sixty days following signup for the program, an amount equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined is less than the advance, the difference shall not be required to be repaid.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres

which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop. The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop (for the 1972 crop, on the basis of the apportionment of the national acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop (for the 1972 crop, on the basis of the apportionment of the wheat acreage allotment for the 1971 crop), adjusted to the extent deemed necessary by the Secretary in order to establish

a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop (for the 1972 crop, among farms in the county which had a wheat acreage allotment for the 1971 crop), on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop (for the 1972 crop, to farms which had no acreage allotment for the 1971 crop) on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production

of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeed-

ing crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such wheat because of drought, flood, or other natural disaster or a quarantine imposed by the county, State, or Federal Government shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b) (1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the

producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

Subtitle C—General

SEC. 404. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by inserting a comma in lieu of the period at the end of the first sentence of section 379d(b) and adding the following: "and (iii) all persons processing or using any flour second clears, gluten or other products or by-products of wheat for which domestic marketing certificates have not been acquired in the commercial production of food products for human consumption shall, prior to the marketing or the removing of such product for sale or consumption, acquire domestic wheat marketing certificates equivalent to the number of bushels of wheat required to produce or used in the production of the flour second clears, gluten or other product or byproduct used in the production of, or ingredient in, such food product."

(3) by adding at the end of section 379d(b) the following:

"Notwithstanding the foregoing, the Secretary is authorized, if subtitle B of title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1972, and ending June 30, 1974."

(4) by adding at the end of section 379e the following:

"Notwithstanding any other provision of this Act, if subtitle B of the title IV of the Agricultural Act of 1970 is effective with respect to the 1972 and 1973 crops of wheat, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1972 and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 405. Effective only with respect to (i) the 1972 and 1973 crops of wheat and only to such crops if subtitle B of this title is effective with respect to such crops and (ii) the 1971, 1972, and 1973 crops of feed grains, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331 through 339 shall not be applicable to the 1972 and 1973 crops of wheat;

(2) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(3) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(4) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 406. Effective only with respect to the 1972 and 1973 crops of wheat, and only if subtitle B of this title is effective with respect to such crops, section 706, Public Law 89–321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 407. Public Law 74, Seventy-seventh Congress

(68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1972 and 1973.

SEC. 408. If subtitle B of this title is effective with respect to the 1972 and 1973 crops of wheat, the amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1972 crop of wheat may be reduced by the amount by which the actual total production of the 1972 or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for such crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 409. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, and if subtitle B of this title is effective with respect to such crops the 1972 and 1973 crops of wheat the Agricultural Act of 1949 as amended is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as

well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 410. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for (i) the 1971, 1972, and 1973 crops of feed grains, and (ii) if subtitle B of this title is effective with respect to such crops, the 1972 and 1973 crops of wheat as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable

price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

SEC. 411. In the event that no new legislation is enacted in advance of the planting season for the 1974 crop of fall seeded wheat, and the Secretary determines that it will best accomplish the purposes of section 379a of the Agricultural Adjustment Act of 1938, as amended, and is otherwise in the interest of wheat producers and the United States, he is authorized to carry out a program for the 1974 crop of wheat on the same basis as the program for the 1973 crop, in which event references made in titles I and IV of this Act to the 1973 crop of wheat and to the marketing year for such crop beginning July 1, 1973, shall be considered as applying as well to the 1974 crop of wheat and to the marketing year beginning July 1, 1974, and the period beginning July 1, 1971, and ending June 30, 1974, referred to in section 404 shall be considered as extended to June 30, 1975.

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(3) Price support loans with respect to the 1971 through 1973 crops of feed grains shall be made available on grains stored on the farm where produced, and price support loans on grains of such crops and prior crops so stored shall be renewed to the maximum extent practicable consistent with the effective and efficient conduct of the price support programs for such grains.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than (A) $1.35 per bushel, or (B) 75 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater: Provided, That the payment rate with respect to any producer on a farm with a base acreage not in excess of one hundred and sixty acres who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of

not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum.

The payment rate for grain sorghums and barley shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn: Provided, That the payment rate with respect to any producer on a farm with a base acreage not in excess of one hundred and sixty acres who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain

base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base: Provided, That no farm feed grain base shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this

paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for

under this section. The Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income. Notwithstanding any other provision of this subsection, the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for a loan or purchase to participate in the set-aside program for feed grains if such producer has previously produced a malting variety of barley and plants barley only of an acceptable malting variety for harvest.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such

rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community. The Secretary shall make not less than 50 percentum of any payments under this subsection to producers within sixty days following signup for the program.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation prac-

tices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: Provided, That except for acreage provided for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

"(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the

land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, within sixty days following signup for the program, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghum and barley, and the payment so made shall not be reduced if the rate as finally deter-

mined is less than the rate of the preliminary payment. If the set-aside in effect under subsection (c) is less than 20 per centum of the feed grain base, the preliminary payment rate under this subsection shall be reduced proportionately.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Section 342 is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, for each of the 1971 through 1973 crops (1) the preceding sentence shall be inapplicable and the national marketing quota for upland cotton shall be not less than the number of bales required to provide a national acreage allotment for such crop of fourteen million five hundred thousand acres; and (2) each farm acreage allotment (computed without regard to clause (3)) shall bear the same relationship to its farm base acreage allotment (as finally effective after adjustment for release and reapportionment,

transfers, and all other factors) as the national acreage allotment bears to the national base acreage allotment and (3) if the Secretary determines such action to be necessary to provide an adequate supply of cotton, the Secretary may (i) increase each farm cotton acreage allotment to permit the planting of cotton on all or any part of the acreage required to be set aside pursuant to section 103(e)(4) of the Agricultural Act of 1949, and (ii) apportion additional acreage not exceeding an acreage equal to 25 per centum of the national acreage allotment to farm operators who apply for such additional acreage and give such assurance as the Secretary deems appropriate that they will make all appropriate efforts to produce and harvest cotton on acreages equal to their increased allotments. Such additional acreage shall be apportioned in such manner as the Secretary deems appropriate to assure an adequate supply, giving special consideration to farms having cotton acreage allotments, the amounts of such allotments, and the production history of such farms. Producers on any farm receiving increased allotments under clause (3) shall be entitled to price support loans and purchases only on an amount of cotton determined by multiplying the yield used in computing payments for such farm by the acreage allotment computed without regard to clause (3)."

(2) A new section 342a is added to read as follows:—

"NATIONAL COTTON PRODUCTION GOAL

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming coun-

tries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(A) Subsection (a) is amended (i) by striking "cotton acreage allotment" and inserting "farm base acreage allotment for cotton", and (ii) by striking "1970" and inserting "1973".

(B) Subsection (b) is amended by striking clause (ii) and by inserting before the period at the end of the next to last sentence the following: "; and (viii) no allotment may be sold or leased except to a person who furnishes such county committee with satisfactory evidence that he is dependent upon the production of cotton for a livelihood and will make all appropriate efforts to produce and harvest cotton on an acreage equal to his full farm base acreage allotment as constituted after such transfer. Any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops".

(4) Section 350 of the Act is amended to read as follows:

"BASE ACREAGE ALLOTMENTS

"SEC. 350. *(a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be not less than fourteen million five hundred thousand acres less a percentage thereof equal to the percentage of the farm acreage allotment used in determining set-aside requirements under section 103(e)(4) of the Agricultural Act of 1949, as amended.*

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment if a farm base acreage allotment was in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): Provided, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the

county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grain are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base

acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was trans-

ferred: Provided, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e)(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such reg-

ulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e)(1) The Secretary shall make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators nonrecourse loans for a term of one year from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the average world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment of such a loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secre-

tary annually pursuant to a published regulation which shall specify the procedures and the factors to be used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the loan level for Middling one-inch cotton at average location will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year: Provided, That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer),

and who is on a small farm (that is a farm on which the acreage allotment is ten acres or less, or on which the yield used in making payments times the acreage allotment is three

thousand six hundred pounds or less, and for which the base acreage allotment has not been reduced under section 350 (f)) shall be increased by 30 per centum. The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield established for the farm: Provided, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, payment limitation, or a quarantine imposed by the county, State, or Federal Government of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968

and 1969: Provided, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: Provided further, That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

"(4)(A) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm acreage allotment for the farm as may be specified by the Secretary (not to exceed 12½ per centum of the farm acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The

Secretary may permit cotton or other commodities to be planted on the set-aside acreage to such extent and subject to such terms and conditions as he may prescribe.

"(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (e)(4)(A). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an addi-

tional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and divert an acreage on the farm equal to the number of acres which the operator agrees to set aside and divert, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate, or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, includ-

ing provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. The tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall

sell upland cotton for unrestricted use at the same prices as it sells cotton for export, and in no event shall it sell upland cotton owned or controlled by it at less than 110 per centum of the loan rate plus an allowance for carrying charges which will reflect commercial rates for storage, warehousing services and other handling costs, insurance, and interest at the prevailing rate charged by the Commodity Credit Corporation on cotton loans, and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "And provided, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following

sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside programs,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89–321 (79 Stat. 1210) is amended as follows:

By adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying

as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

SEC. 610. The Commodity Credit Corporation, in furtherance of its powers and duties under subsections (e) and (f) of section 5 of the Commodity Credit Corporation Charter Act, shall, through the Cotton Board established under the Cotton Research and Promotion Act, and upon approval of the Secretary, enter into agreements with the contracting organization specified pursuant to section 7(g) of that Act for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs and programs to aid in the development of new and additional markets, marketing facilities and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings. Each year the

amount available for such agreements shall be that portion of the funds (not exceeding $10,000,000) authorized to be made available to cooperators under the cotton program for such year but which is not paid to producers because of a statutory limitation on the amounts of such funds payable to any producer. No funds made available under this section shall be used for the purpose of influencing legislative action or general farm policy with respect to cotton.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

SEC. 702. Section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1732), is amended by inserting after the first sentence thereof a new sentence as follows: "The foregoing proviso shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities carried out with foreign currencies made available under title I of this Act which have as their purpose the expansion of export sales of United States agricultural commodities."

SEC. 703. (a) Section 104(b)(2) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "2 per centum" and inserting "5 per centum".

(b) Section 104(k)(1) of such Act is amended by inserting before the comma at the end thereof the following ", other than paragraph (2) of subsection (b)".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "SEC. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,"; and by substituting "three-, five-, and ten-year periods" for "such period not to exceed ten years as he may determine".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "Provided,

That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage."

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The producer shall agree to permit access to the farm without other compensation, under terms and conditions established by the Secretary, by the general public for hunting, trapping, fishing, hiking, or other recreational use, subject to applicable State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers

for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action

will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of productive agricultural land to non-crop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring productive agricultural land for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions determined by the Secretary to accomplish that the purpose of the program. The Secretary also is authorized to share the cost with State local governmental agencies and

other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "The Secretary is authorized during any calendar year to enter into agreements under this subsection covering not to exceed six million acres plus the number of acres by which agreements in 1971 or 1972 covered less than six million acres."

(11) By striking out "June 30, 1963" in paragraph (7) and substituting "June 30, 1972".

(12) By inserting "farming opportunities and" preceding the words "interests of tenants and sharecroppers in paragraph (3)".

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 and subsequent crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

SEC. 804. (a) Notwithstanding any other provision of law, any producer who is participating in the feed grain program under title V of this Act, in the cotton program under title VI of this Act, or in the wheat program under title IV of the Act, shall, in any year in which an acreage diversion or set-aside program is in effect, under either such program in which such producer is participating, be permitted, subject to the conditions prescribed in subsection (b) of this section, to plant and harvest forage from an acreage on the farm equal to 25 per centum of the acreage on the

farm diverted from production under such programs or twenty-five acres, whichever is greater.

(b) Any producer who elects to plant and harvest forage on diverted acreage must first agree not to use any forage harvested from such acreage unless authorized to do so by the Secretary.

(c) When any diverted acreage has been planted and harvested under authority of this section, the forage harvested therefrom shall be stored in sealed storage on the farm in accordance with such regulation as the Secretary may prescribe and shall be available for use during periods of emergency declared by the Secretary. In order to avoid deterioration of forage stored on the farm for emergency purposes pursuant to this section, the Secretary may permit such forage to be removed and used or sold from time to time so long as an amount of forage equal to the amount removed is previously placed in storage and sealed.

(d) Any farmer who has forage stored on his farm for emergency purposes pursuant to this Act may remove such forage from storage and use it whenever the Secretary has (1) designated as an emergency area the area in which such farm is located, and (2) specifically authorized the use of emergency forage by farmers in the area.

(e) The Secretary of Agriculture is authorized to make

or guarantee loans to farmers, both tenants and landowners, to assist such farmers in the construction of storage facilities on the farm for the storage of emergency forage pursuant to the provisions of this section if such farmers are unable to obtain loans from commercial sources at reasonable rates and on reasonable terms and conditions. Loans made by the Secretary under this subsection shall be made at the current rate of interest for periods not exceeding ten years, and on such other terms and conditions as the Secretary may prescribe.

FARMER ADJUSTMENT PROGRAM

SEC. 805. (a) For the purpose of providing a transitional program to assist low-income farmers engaged in producing cotton, wheat, or feed grains in making the necessary adjustments to nonagricultural pursuits and to provide opportunities for gainful employment, the Secretary of Agriculture is authorized to formulate and carry out a program during the calendar years 1971 through 1973 under which the Secretary may enter into an agreement with any farmer who, during the three-year period immediately preceding the year in which the agreement is entered into—

(1) had average gross annual sales of farm products of not more than $5,000; and

(2) had average annual off-farm earned income of

not more than $2,000 (including income of both husband and wife in the case of a married farmer).

(b) Agreements entered into under this section may include: (1) the surrender to the Secretary for permanent cancellation of acreage allotments and base acreages then under the control of the farmer in return for cash consideration in an amount determined to be appropriate by the Secretary; (2) adjustment assistance not to exceed $2,500 per year for a period not to exceed one year.

(c) The Secretary shall, in achieving the objectives of this section, arrange for utilization to the maximum extent possible of existing Federal and State programs designed to provide grants, loans, and other assistance which will further facilitate this adjustment program.

(d) The Secretary shall prescribe such regulations as he deems necessary to carry out the provisions of this section.

SEC. 806. (a) Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), is amended by adding at the end thereof a new subsection as follows:

"(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year."

(b) Subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921–1929), is amended by adding at the end thereof a new section as follows:

"SEC. 310. Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subtitle shall remain available until expended."

TITLE IX—RURAL DEVELOPMENT

SEC. 901. The Congress hereby finds that the technology responsible for the unrivaled abundance of American agriculture has also been largely responsible for the elimination of millions of farm-related jobs. Since 1940 an estimated twenty-five million displaced farm and rural residents have migrated, chiefly to metropolitan areas, primarily in search of new economic opportunities. Presently, 20 per centum of the adult urban population are former rural residents.

The Congress further finds that despite a slowdown in the peak migration of approximately one million people a year in the 1950's, movement of people from rural areas still continues at a high rate. By the year 2000 or soon thereafter, one hundred million more Americans will be added to the one hundred forty million already living in our cities and suburbs. Unless this Nation makes a commitment of sufficient magnitude to reverse the present trend toward excessive concentration of population, two hundred forty million

people will be crowded together in four giant strip cities. Already, 70 per centum of our population lives on less than 2 per centum of our land.

The Congress further finds that the devastating consequences of the population shift are evident everywhere—in both urban and rural America. Countless rural communities, once thriving and prosperous, are facing social and economic bankruptcy because too few residents remain to support essential public services and civic institutions. On the other hand, our large cities are facing gradual strangulation. Our giant cities are finding themselves increasingly unable to deal with the large influx of uneducated rural migrants who are ill-prepared for urban living. The congested traffic arteries, the pollution of the water and the air, the soaring crime rates, the housing blight, and the simple lack of adequate elbow room are rapidly making our larger cities unlivable as well as ungovernable.

The Congress further finds that the legislative program provided for herein is vital to American agriculture. If we are to continue to have a viable commercial agriculture, it will be necessary that we continue to support the price of certain commodities and that we have some control over surplus production. However, farm price-support programs can never provide an adequate standard of living for a large number of rural residents. Even a farm program providing

100 per centum parity for all crops would not provide a decent standard of living to farmers who are too old or too uneducated to adapt to the new farm technology, and to farmers who are unable to secure enough capital to build an efficient farming operation. No system of farm price supports can adequately provide for farm day laborers, migrant workers, and sharecroppers who are displaced by the new technology.

The Congress is, therefore, committed to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

LOCATION OF FEDERAL FACILITIES

SEC. 902. In that it is the intent of Congress to minimize further impaction on already overcrowded metropolitan areas, Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all

executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations.

PLANNING ASSISTANCE

SEC. 903. Under authority of the Housing and Urban Development Act of 1968, the Department of Housing and Urban Development and the Department of Agriculture are authorized to provide assistance to States planning for the development of rural multicounty areas not included in economically depressed areas. In enacting this legislation, the Congress made it clear that the purposes of the program was to help preserve and utilize our great human and economic investment in small towns and in less populous regions.

The Congress is deeply concerned that the key goals of these programs are not being met or even approached. It is, therefore, the purpose of this section to provide the Congress with information sufficient for it to determine whether the nonmetropolitan planning program is meeting certain national priorities and goals. The Secretary of the Department of Housing and Urban Development and the Secretary of Agriculture shall submit to the Congress a joint progress report regarding the operations of such program not later than September 1 of each fiscal year reflecting the efforts under such program during the immediately preceding fiscal

year. The first such annual report shall be submitted not later than December 1, 1970, and shall cover the period beginning August 1, 1968, the date of enactment of the Housing and Urban Development Act of 1968, and ending June 30, 1970.

INFORMATION AND TECHNICAL ASSISTANCE

SEC. 904. Planning and development activities depend upon well-informed and well-educated community leaders and citizens. Small communities and less populated areas often lack the resources and technical assistance necessary to insure that the level of their understanding and knowledge regarding planning and development activities is adequate. Since these ingredients are essential to the development of these areas, it is essential that the Congress evaluate the actions of the Department of Agriculture in providing such assistance, either through the Department of Agriculture or in cooperation with others. The Secretary of Agriculture shall submit to the Congress a report not later than September 1 of each fiscal year reflecting the efforts of the Department of Agriculture regarding the providing of information and technical assistance to small communities and less populated areas during the immediately preceding fiscal year. The first such annual report shall be submitted not later than December 1, 1970, covering the period beginning July 1, 1969, and ending June 30, 1970. The Secretary shall include in such reports to what extent technical assistance has been pro-

vided under other Federal programs and through land grant colleges and universities and through the Extension Service programs of the Department of Agriculture.

GOVERNMENT SERVICES

SEC. 905. In that adequate government services are essential for an acceptable quality of life in rural areas, highest priority must be given to extending to rural areas the same government services which are available to urban areas. The Congress is especially concerned that rural communities be provided with adequate telephone services, adequate water and sewer systems, high quality medical care, and superior educational facilities. The President is requested to submit to the Congress a report not later than September 1 of each fiscal year stating the availability of these and other government services to rural areas and outlining efforts of the executive branch to improve these services during the immediately preceding fiscal year. The President is requested to submit the first such annual report, covering the fiscal year ending June 30, 1970, on or before December 1, 1970.

FINANCIAL ASSISTANCE REPORT

SEC. 906. Extensive revitalization of rural America will require special financial assistance and since such financial assistance is not available through normal credit channels, the President is requested to report to Congress on the possible utilization of the Farm Credit Administration and agen-

cies in the Department of Agriculture to fulfill this financial assistance requirement. The President is requested to submit the report requested by this section on or before July 1, 1971, together with such recommendations for legislation as he deems appropriate.

Passed the House of Representatives August 5, 1970.

Attest: W. PAT JENNINGS,

Clerk.

Passed the Senate with an amendment September 15, 1970.

Attest: FRANCIS R. VALEO,

Secretary.

91ST CONGRESS
2D SESSION

H. R. 18546

AN ACT

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 15, 1970

Ordered to be printed with the amendments of the Senate

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed; and the Senate resumed the consideration of legislative business.

AGRICULTURAL ACT OF 1970

The PRESIDING OFFICER (Mr. BELLMON). The hour of 5 o'clock having arrived, under the previous order, H.R. 18546 becomes the pending business, which the clerk will state.

The legislative clerk read as follows: (H.R. 18546) to establish improved programs the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The Chair would advise the Senate that it is now operating under controlled time. Who yields time?

AMENDMENT NO. 902

Mr. MONTOYA. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

AMENDMENT NO. 902

Mr. MONTOYA (for himself, Mr. MONDALE, Mr. PROXMIRE, Mr. HARRIS, Mr. MCGOVERN, Mr. YARBOROUGH, Mr. HUGHES, Mr. MCGEE, Mr. ANDERSON, Mr. NELSON, Mr. SYMINGTON, Mr. EAGLETON, Mr. GORE, Mr. BURDICK, Mr. HARTKE, and Mr. BAYH) offers the following amendment:

"On page 87, line 7, strike out '$1.35 per bushel' and insert in lieu thereof the following: '(A) $1.35 per bushel, or (B) 77 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater'."

The PRESIDING OFFICER. The Chair would inquire whether this is the amendment of the Senator from New Mexico upon which 3 hours of time for debate have been allocated.

Mr. MONTOYA. That is correct. I say, Mr. President, that I do not intend to take the full 3 hours. I anticipate relinquishing part of my time at a very early hour.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there be a brief quorum call, with the understanding that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, if the Senator from New Mexico will yield for a unanimous-consent request, with the understanding that he does not lose the floor, I ask unanimous consent, Mr. President, that time on the pending amendment, which has just been offered by the Senator from New Mexico (Mr. MONTOYA) be limited to 1 hour instead of 3 hours, as earlier agreed to, and that the time be equally divided between the Senator from New Mexico (Mr. MONTOYA) and the manager of the bill, the Senator from Louisiana (Mr. ELLENDER).

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. MONTOYA. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER (Mr. GRAVEL). The Senator from New Mexico is recognized for 10 minutes.

Mr. MONTOYA. Mr. President, I have just submitted the same amendment to H.R. 18546 that I submitted on August 12. The reference is changed, however, as a result of changes made by the Committee on Agriculture and Forestry.

The text of the amendment has been presented, and I should like it to appear in the RECORD as part of my remarks and ask unanimous consent that that be done.

There being no objection, the text of the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT

On page 87, line 7, strike out "$1.35 per bushel" and insert in lieu thereof the following: "(A) $1.35 per bushel, or (B) 77 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater".

Mr. MONTOYA. Mr. President, this amendment applies only to title V, the feed grains section of the bill and is proposed to correct an inequity which was contained in the version of the bill passed by the House of Representatives, and which was left uncorrected in the committee print reported on September 4 by Mr. ELLENDER for the Committee on Agriculture and Forestry.

In the House version of the Agriculture Act of 1970, all of the wheat crop used domestically for human food consumption is guaranteed 100 percent of parity, thus assuring that their return will be adjusted to reflect changes in our domestic economy which are so quickly reflected in the costs of production. The Senate Committee on Agriculture and Forestry further improved this section by placing a floor under the loan program at $1.25 per bushel, the 1970 loan rate. I support this change.

The cotton section of the bill passed by the House placed a value of 35 cents per pound on the total of the average market price plus the payment of at least 15 cents per pound. The Senate Committee on Agriculture and Forestry changed this section to read:

(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972 and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the loan level for Middling one-inch cotton at average locations will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year."

This payment is to be made on the cotton produced on all of the base acreage allotment. It is also tied to a parity relationship and must be increased annually by such an amount as is indicated by the parity index.

My only quarrel with this legislation is that it reduces cotton income by 2 cents per pound. This will be felt particularly by those whose total payments from the Government are less than the limitation established by the legislation. I must support this legislation, although with some reluctance.

Now we come to feed grains and a real inequity in the program is obvious.

First of all, the payments are to be made on only 50 percent of the feed grain base, despite the fact that 88 percent of the crop is used domestically for human and animal food. To be equitable, the payment should be made on the total consumed domestically as is done for both wheat and cotton.

We would note that the feed grains section reported out by the Livestock and Feed Grains Subcommittee of the House of Representatives provided for the coverage of 80 percent of the feed grain base acreage. The coalition farm bill called for 75 percent coverage. The Hardin bill cut this back to 50 percent when the committee, after weeks of acrimoniou debate, voted for the second time to override the subcommittee.

The total of payments place the market price provided by both the House-passed bill and the report of the Senate Committee on Agriculture and Forestry are frozen at $1.35 per bushel. Thus, in the midst of a continuing inflationary spiral, the feed grains producers can expect an 18 to 20 percent increase in costs without any changes in compensation from either the market or from Government payments.

Now let us look at how much U.S. agriculture is effected by this unfortunate inequity.

All of the commodities in the farm bill are important to my State of New Mexico. For 1969, total base or allotment acreage in New Mexico included 875,474 acres of feed grains, 437,676 acres of wheat, and 171,147 acres of cotton. New Mexico farmers in 1969 planted 476,000 acres of feed grains, 388,000 acres of wheat, and 163,000 acres of cotton. In the same year, farmer-stockmen in New Mexico marketed 6,381,000 pounds of shorn wool, 18,928,000 pounds of unshorn lambs, and 172,000 pounds of mohair.

We will quickly add these figures and note that the allotment for feed grains in New Mexico is 276,651 acres larger than the total of both wheat and cotton; of the 1,474,297 acres in the allotments, 60 percent was for feed grains in my State alone.

New Mexico farmers planted a total of 927,000 acres to these three crops, but it

planted 25,000 acres more in feed grains than the total of wheat and cotton.

Now let us look at what the national picture is concerning these crops. For this year, all of wheat harvested was from 42,561,000 acres. All of the cotton planted totaled 12,138,000 acres. The total planted of these two crops was 55,699,000 acres. But 57,991,000 acres was planted to corn, 18,732,000 acres to oats, 9,846,000 acres to barley and 17,109,000 acres to sorghums for a total of 104,678,000 acres to feed grains. The corn acreage alone exceeded the total of cotton and wheat, the grain sorghums exceeded to cotton acreage by 5 million acres, and the total feed grains acres is almost twice the total acreage of cotton and wheat.

We are not talking about an insignificant crop but about the single most important crop grown in the United States. The 415-billion-bushel corn crop is the basis of the total livestock, dairy, and poultry production which makes the United States the best fed nation in the world.

If this body needed a lesson in the importance of this basic crop, just look at the wild gyrations of the corn market due to the rumors of the effects of the corn blight on this year's crop. This market's uneasiness quickly affected the wheat market, the stock market, the USDA, the international market, and consumers who rarely ever think of corn as something grown for feed and food.

If this provision which I am proposing were in effect for the 1970 crop year, the probable effect would be to support feed grains prices at a rate roughly equivalent to 76 to 77 percent of parity. The $1.35 per bushel support for corn is equal to 76.3 percent of $1.77, or the parity price of a bushel of corn in July 1970. However, since the support level is frozen at the fixed $1.35 figure for the 3-year duration of the House bill, the level of support in parity equivalency would deteriorate yearly over the 3-year period as farmers' costs of production increase. If production costs go up during 1970–73 at the same rate as 1967–70, for the 1973 crop year the House bill would support feed grains prices at only 70.5 percent of parity—a decline of almost 6.5 percent. This means that price support for feed grains would sink below the current general farm parity ratio of 72, which is the lowest that it has been since the great depression.

We have heard some reports that the adoption of this provision to tie the income of feed grain producers to a parity equivalency would lead to the Presidential veto. The administration accepted the parity principle as it was applied to wheat when the bill was in the House Committee on Agriculture and raised no objection to it during the debate which preceded the passage of the bill by the House.

We note with interest that in the lengthy letter from Secretary Hardin to the chairman of the committee, the Senator from Louisiana (Mr. ELLENDER), on August 31, the two pages devoted to cotton did not mention the fact that this legislation had tied the total of loan and payments to 65 percent of parity.

The cost of this improvement in the program need not be excessive nor even substantial. The cost will depend entirely upon the price objectives pursued by the administration. At this point this Senator is unclear, nor can we get any help from the statements of the USDA.

On May 12, the USDA released figures to the House committee indicating that it expected the season average price of corn to decline from $1.12 in 1969 per bushel to $1.07 in 1970. They predicted that under the proposed set-aside it would drop to $1 in 1971 and 1972 and rise to $1.03 per bushel in 1973, hardly an attractive prospect for corn growers.

Again on August 25, the USDA released figures indicated they expected a corn price of $1 in 1971. However, on the same day they released some statistics on a sheet entitled, "Key Provisions and Program Results" which indicated that the USDA expects the 1970 crop to bring an average price of $1.16, indicating their evaluation of the corn blight scare. If the 1965 act was continued, the price would be $1.10 in 1971. if the set-aside is adopted and the acreage set-aside—or diverted—and harvested exceed the levels of recent years by about 10 million acres, the average price in 1971 would be $1.03 per bushel while the price would be $1.10 if total acreages are held at recent levels.

One, pay his money and take his choice, but in general the Hardin administration expects or intends for corn prices to drop under the "set-aside." It is no wonder that farm organizations are all opposed to this Nixon-Hardin program.

Now, if the Hardin crew will pursue policies to keep the market price at the levels of the last few years, the passage of this amendment would not add to the cost of the program. The same can be said for the cost of the minimum loan level of which the Senate subcommittee so wisely added.

However, if the grain trade men who run the commodity programs in the USDA persist in pursuing a course designed to drive down farm prices to benefit the grain trade, then the USDA should be made to carry the burden of the price decline, at least on the 50 percent of the crop which is not protected by the payments.

If they want to experiment with returning to a "market-oriented pricing policy" which has been consistently rejected since the administration of Herbert Hoover, then the Congress must not let American agriculture be sent down the drain while this great experiment is carried out.

What we will be saying to Secretary Hardin and Assistant Secretary Palmby by the approval of this amendment is that we have noted with disapproval the price objectives which they have proposed. What we should do is substitute the 1965 act for this section. The least we can do is to place some protection around our feed grain producers.

In his letter to Chairman ELLENDER, Secretary Hardin objected to any special consideration being given to small farmers. He prefers to care for them under the family assistance program, which is the updated name for welfare.

My amendment will help to keep U.S. grain farmers solvent in these troubled days by relating their returns to the changes in our general economy. This is consistent with what is happening in the rest of our economy. All of the labor contracts being negotiated today include a cost of living factor. Government employees are granted this privilege in legislation passed by this Congress.

The parity concept is the farmers cost of living adjustment. It is to our shame that we make it only 65 percent of parity for cotton and 77 percent of parity for feed grains. Surely we can do no less.

Not only are farmers better served by this legislation, but the general welfare is also well served. One of the factors which has contributed to the Nixon recession has been the decline in net farm income due to lower prices and increased costs. The reduced buying power of U.S. farmers has been a major factor in the increase in farm bankruptcies, but it has been as important in causing the failure of rural businesses.

We cannot let the price equivalency of the production on over 100 million acres in the United States planted to our most important single crop decline by 15 to 20 percent in 3 years without feeling the repercussions in our total economy. This is what this amendment is all about. This is why I am so interested in its passage. This is why I am pleading with the Members of this body to correct the unfortuante inequity in the legislation before us before we send it to conference.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield without losing his right to the floor?

Mr. MONTOYA. I am happy to yield.

UNANIMOUS-CONSENT REQUEST

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the time on the amendment to be offered by the Senator from Illinois (Mr. SMITH) and the Senator from Delaware (Mr. WILLIAMS) be limited to 40 minutes, rather than 1½ hours as previously ordered, the time to be equally divided between the author of the amendment and the manager of the bill, the Senator from Louisiana (Mr. ELLENDER).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the time on other amendments be limited to 20 minutes rather than 30 minutes, with the time to be equally divided between the mover of the amendment and the manager of the bill, the Senator from Louisiana (Mr. ELLENDER).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the time on the bill itself be limited to 30 minutes, rather than 1 hour, as previously ordered, the time to be equally divided between the manager of the bill and the minority leader or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The time of the Senator from New Mexico has expired.

Mr. MONTOYA. Mr. President, I yield myself an additional 2 minutes so that I may yield to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. MONTOYA. I yield to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

FEED GRAIN PARITY AMENDMENT FOR NEW FARM BILL

Mr. SYMINGTON. Mr. President, this evening the Senate of the United States will conclude action on one of the most important pieces of legislation the 91st Congress has considered thus far, the Agricultural Act of 1970; and the act which results from our deliberations here tonight will affect millions of farmers and businessmen all over the Nation.

I wish to congratulate and thank the members of the Senate Committee on Agriculture and Forestry and the committee's able and distinguished chairman, Senator ALLEN ELLENDER of Louisiana, for the tremendous improvements which they have made in the new farm bill.

The Senate Agriculture Committee has made a very important contribution to American agriculture; and one of the most important improvements in the new bill was the establishment of a $1 per bushel floor under the loan rate for corn. It is a committee amendment that will do much to enable feed grain farmers in my State of Missouri and across the Nation to earn a fair and reasonable return for their effort and investment.

As you know, the present law authorizes that price supports for corn and other feed grains to farmers participating in the annual commodity programs be at least 65 percent of the full parity price for all corn grown on the maximum permitted acres. This year, price supports are being made available through a nonrecourse loan of $1.05 per bushel plus a 30-cent per bushel direct payment for corn grown on 50 percent of farmers' feed grain bases.

The total support price of $1.35 per bushel for corn figures out to be little more than 76 percent of parity. This is equivalent to a total price support blend of approximately $1.24 per bushel for all corn grown on the maximum permitted acres, which is about 69 percent of parity.

Mr. President, the new farm bill passed by the House of Representatives contains no such parity floor under the "blend price" as does the existing law. Tonight, we will consider an amendment which provides that the payment rate for corn grown on 50 percent of farmers' feed grain bases will be the difference between the average market price for the first 5 months of the marketing year and the higher of, first $1.35 per bushel for corn or second, 77 percent of parity. But in no event would the payment be less than 32 cents per bushel.

This amendment, together with the committee amendment establishing a minimum floor of $1 per bushel under the loan rate for corn, will provide farmers with the same protection for stabilizing prices and supporting farm income as they now enjoy under existing legislation.

It is indeed a pleasure to rise in support of the amendment being offered this evening by the distinguished Senator from New Mexico.

In justice to the farmer, the parity concept is absolutely essential to the feed grains section of the new bill. Parity, the cornerstone of farm programs for more than 30 years, is the only device available to the American farmer that provides automatic adjustments necessary to keep the prices farmers receive in line with the prices which farmers must pay for production inputs, including farm supplies and taxes and interest.

The index of prices paid by farmers rose by 6 percent between 1968 and 1969. I note that the Department of Agriculture reported on August 31 that the prices received index declined by 3.5 percent between July 15 and August 15—a period of only 1 month. This is the greatest decline in farm prices since 1948. Clearly, therefore parity must be obtained to assure that farmers receive a reasonably fair share of our Nation's great abundance.

I therefore urge all of my distinguished colleagues to give all possible consideration to this amendment. The economic well being of many millions of our fellow citizens depends upon our action here tonight.

Its passage would give members of the American agricultural community the opportunity to earn that reward they justly deserve for the outstanding contribution they have made to the welfare of all our citizens.

I thank the able Senator for yielding.

Mr. MONTOYA. Mr. President, I thank the distinguished Senator from Missouri for his very able contribution.

Now I yield to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. MONTOYA. I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 1 minute.

Mr. BURDICK. Mr. President, I wish to associate myself generally with the remarks of the able Senator from New Mexico.

I believe the Committee on Agriculture and Forestry, headed by the distinguished chairman, the Senator from Louisiana (Mr. ELLENDER), has done a good job in improving the House bill. I feel, as does the Senator from New Mexico, that there is an inadequacy in the feed grain section and that his amendment will repair that inadequacy. Therefore, I join him and I urge support of the amendment.

Mr. MONTOYA. I thank the Senator.

I yield to the Senator from South Dakota.

PARITY AND THE PUBLIC INTEREST

Mr. McGOVERN. Mr. President, in connection with the amendment offered by the Senator from New Mexico (Mr. MONTOYA), it might be helpful to recall that our sights have been aimed at the parity goal throughout the history of our farm program.

Just 4 years ago the Senate reaffirmed its commitment to that concept by resolving that full parity is a government-wide objective, and that no agency should take actions that might reduce farm prices when they are less than full parity. My resolution to that effect, Senate Concurrent Resolution 88, was approved without dissent by the Senate.

Although it does not guarantee full parity, the bill reported by the Agriculture Committee is a great improvement over the version approved by the House. For most commodities it will at least insure against serious deterioration in the prices farmers receive. And it contains authority, as has been the case in the past, for Executive action to boost farm income. It contains many of the most essential features of the so-called coalition farm bill, S. 3068, which a number of us introduced early in this Congress.

The bill before the Senate does, however, have a serious drawback. While it continues to peg wheat and cotton floors to parity, the sections relating to feed grains contain no mention of that concept.

Thus, in the case of feed grains, there is not the slightest protection against the ruinous cost inflation that today continues to force thousands of farmers into bankruptcy each year. The loan and payment provisions on feed grains are expressed in dollars and cents, mediums which continue to decline in value at an annual rate of nearly 6 percent.

I emphasize, Mr. President, that the Montoya amendment does not seek to improve the relative position of the feed grains farmer.

Its basic thrust is to prevent a worsening of his present weakened economic condition. All it says is that as his costs of living and costs of producing go up, we will allow for a corresponding adjustment in the minimum prices he will receive for his output. It provides that his returns will not drop below 77 percent of the average that other segments of the economy receive for comparable investments of land, labor, and capital. As the Senator knows I tried during the Senate committee deliberations to secure an extension of the 1965 feed grain program. Senator Ellender and other members of our committee supported me in that effort. I hope we can now do on the Senate floor what we failed to do in committee.

Mr. President, the shift in national population toward the cities and suburbs has been accompanied by a steady decline in the number of Senators and Representatives who feel they have a direct interest in the economic plight of farm families. There has, moreover, been an unfortunate tendency to regard these issues as a contest between farmers and consumers, in which anything that depresses farm prices must inure to the benefit of families at the other end of the market chain.

I suggest that that simplistic view is responsible for a good share of the trou-

bles that plague the great metropolitan areas of this country. I submit that today, when the cities are falling further and further behind the enormous problems which flow from overcrowding, Senators from all parts of the country have reason to be alarmed about the attrition in rural areas.

In 1939, at the high point, there were 6.8 million farms in this country. By 1950 there were only 5.6 million, and then the migration really got underway. We began this year with only 2.9 million.

But the drop in farm numbers tells only a small part of the story. The migration from farms alone was some 14 million between 1950 and 1970 as farmers and their families sought their living elsewhere. The net loss between 1965 and 1969 ran at a rate of 582,000 each year. And they took with them millions more through the loss in business potential for those who supplied them with both consumer goods and services and capital equipment.

The migration continues. The preliminary census returns released a short time ago indicated that five of the Nation's most rural States—South Dakota, North Dakota, West Virginia, Wyoming, and Mississippi—have actually lost population in the last 10 years. Others registered only the slightest of gains, such as Montana with a 1.1-percent increase and Iowa with 1.2 percent more. The nationwide increase, meanwhile, was over 13 percent.

I fail to see any sense at all in this trend. One county in California, Los Angeles, has more than 10 times as many people as live in all of South Dakota. The increase for New York State in just 10 years was more than the total population of Montana and Wyoming combined. While comparable data is not yet in, we can expect that the range of population densities is at least as extreme now as it was in 1960, when Wyoming had 3.2 people per square mile—imagine Washington, D.C., with only 320 people—as opposed to New Jersey's 929.8. In Brooklyn there were 34,583 people on every square mile of land; in North Dakota there were less than 10.

The trend abuses both resources and people. Today's intolerable levels of air and water pollution are direct consequences of the fact that we are concentrating the waste of so many people and so many machines in such little space. Our atmosphere and our lakes, rivers, and streams are deprived of the time to cleanse themselves. The quality of life is threatened. Overcrowding taxes public services way beyond their capacities. Our cities, for all of their attributes, are uncomfortable, inconvenient, and unsafe.

Urban areas need Federal help, and those of us from rural areas have good reason to give whatever support we can to programs of that kind. We support them on the merits—and also because many of the people involved used to be our constituents.

But as much as anything else, the cities need a respite from burgeoning population growth. We need to at least slow, or perhaps stop or reverse, the rush of population to urban America. It is severely damaging for migrant and native alike.

In his State of the Union address in January, President Nixon described the violent and decayed central cities as the most conspicuous area of failure in American life. He spoke of creating a new rural environment which would not only steam the migration to urban centers but reverse it.

It is a sad commentary that the administration has since engaged in a vigorous effort to see that the parity concept—the one remaining substantive assurance that we will aspire to a healthy family farm system—be purged from our farm programs.

The simple truth is that all of the programs that can make rural areas more attractive—recreation, education, improved public services, and others—will be unavailing if jobs and income stay on the decline. People are just not going to go where they cannot earn a decent living. The exodus from farm States will continue so long as the single most important industry in those States is in a state of slow disintegration.

I think the Congress can do better. I think we ought to be as emphatic as we can about our determination to rescue the family farm and to undergird a strong agricultural foundation for the rural economy. We should do so not just because the farmers need it, not simply because it will help assure the abundant, low-cost food supplies that are regarded with envy by the rest of the world, but also because it will reflect our sense that any serious effort to meet today's urban crisis cannot ignore its roots in the countryside.

I hope the pending amendment will be overwhelmingly approved, and that the vote on the bill itself will leave no room for doubt about our intent to begin the long task of reconstructing the rural economy.

Mr. President, I urge the Senate to support the amendment. It is very similar to an amendment I offered in the Committee on Agriculture and Forestry which was supported by the Senator from Louisiana (Mr. ELLENDER), the chairman of the committee, and other members of that committee. I am very hopeful it will be agreed to on the floor of the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from Report No. 1276 on Senate Concurrent Resolution 88, going back to the 1966 bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT FROM REPORT

The Committee on Agriculture and Forestry, to which was referred the concurrent resolution (S. Con. Res. 88), expressing congressional policy with respect to prices for agricultural commodities, having considered the same, reports favorably thereon with amendments and recommends that the concurrent resolution (as amended) do pass.

This resolution makes clear that Congress intends that its directive to the Secretary of Agriculture in section 2 of the Agricultural Marketing Agreement Act of 1937 as amended in 1948, "to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish, as the prices to farmers, parity prices * * *" should be observed by all executive agencies of the Federal Government.

The committee amendments are technical and perfecting.

THE FARM INCOME SITUATION

Net farm income in 1965 totaled $14.1 billion, about $1.2 billion above 1964. All evidence points to a further increase in farm income in 1966.

The committee is pleased with this uptrend and believes that it should be encouraged in every way possible to continue for farm prices remain substantially below parity and per capita farm income remains inequitably low. In April, farm prices were 80 percent of parity. On May 15 they had dropped to 79 percent of parity. The latest available data show that per capita farm income is only about 55 percent of the per capita income of the nonfarm population.

RECENT REGRESSIVE ACTIONS IN REGARD TO FARM PRICES

In spite of the below-parity position of both the farm price ratio and of farm income, actions were recently taken by various executive agencies of the Government intended to freeze or roll back certain farm prices to stem an inflation threat.

These steps were summarized by the Chairman of the Council of Economic Advisers in an address on April 27, 1966, when he said:

"* * * Fortunately, we have been able to moderate the rise of some farm prices by releasing stocks acquired earlier to stabilize farm prices against decline, and by permitting or encouraging greater production of some farm products. We have shifted purchase programs from items in tight supply to those where supplies are more abundant. * * * Some important restrictions have been eased where prices were rising at home and goods were available abroad: In the reverse case—where abnormally high prices abroad were draining supplies out of our markets—export controls may be used, as recently they were for hides."

FARM FOOD PRICES ARE DOWN

Any belief that improved farm prices are inflationary is illusory. Such statements have been based on the retail price of food, not the farm value of those foods. They have been based on short-term fluctuations, generally year-to-year but often month-to-month, when the longer term trend has been in the opposite direction.

The fact is that over two decades a decline in the farm cost of food has absorbed, in the overall cost of living and economic indexes, substantial increases in other prices and charges.

Farm prices today are substantially lower than 20 years ago.

The Economic Research Service of the Department of Agriculture reported that farmers received $409 in 1965 for the commodities in the food market basket which is used to measure consumer costs and price spreads. This was an increase of $35 over 1964. Over a longer term, however, this was a substantial decline. During the 1947–49 period (starting two decades ago) the farm value of market basket foods averaged $468 with a high of $498 in 1948.

The farm return for the market basket of foods is thus $59 below the 1947–49 average and $89 below the high in 1948—a 15-to 20-percent decline and a substantial contribution to lower living costs over a period of two decades, not matched in any other sizable segment of the Nation's economy.

This decline in farm returns, and more, has disappeared in higher marketing, transportation, and processing charges. The retail cost of the market basket foods increased $87 during the 1947–49 to 1965 period because the charges after the commodities left the farmers' hands went up from $487 to $633, or $146. As a consequence of lower farm prices and these higher marketing charges, the farmers' share of the consumer food dollar dropped from 49 cents down to only 39 cents in 1965.

This shift in the composition of retail food cost is illustrated in another way:

According to the Economic Research Service, the farm value of foods bought by consumers in 1947 was $18.7 billion and the farm-to-retail marketing charges totaled $20.7 billion.

In 1965 the farm value of food bought by the 36 percent larger number of consumers had increased $5.7 billion or about 30 percent over 1947 to $24.5 billion (actually a decline on a per capita basis). But marketing charges had increased considerbly more than 100 percent, by $27.5 billion, to a total of $48.2 billion.

FOOD COSTS AS A SHARE OF DISPOSABLE INCOME

Food is still a bargain, despite higher marketing and processing costs which are at least partly due to higher levels of food preparation.

Expenditures for food have declined steadily as a percentage of disposable income from 25.7 percent of that disposable income in 1947 to onuly 18.2 percent in 1965.

The decline in the farmers' share of that disposable income is even more striking.

About 13 percent of our food is imported—mostly items like coffee and sugar not produced, or not produced in sufficient quantity in the United States. Total expenditures for food from disposable income (the 18.2 percent mentioned just above) include the cost of these imported foods and the marketing charges on domestically produced food.

When the imported food costs and domestic marketing charges are removed, it is revealed that U.S. farmers are receiving a surprisingly small share of disposable personal income for producing most of our abundance of food.

In 1947, when the retail cost of all food to consumers was 25.7 percent of disposable personal income, the farm value represented 11 percent. By 1965 the farm value of the food purchased by Americans had dropped to 5.3 percent of disposable personal income as shown below:

Farm value of food purchased by Americans as a percentage of disposable personal income

	Percent
1947	11.0
1948	10.2
1957	6.3
1963	5.3
1964	5.2
1965	5.3

During the calendar year 1965 farm prices averaged 77 percent of parity. Had they averaged 100 percent of parity the farm value of the food purchased by consumers would have equaled only about 6.8 percent of disposable personal income.

With the increase in disposable personal income now in prospect for 1966, if farm prices increased to full parity, consumers would be required to pay only about 6.5 percent of their income for farm-produced foods, less than in any year since 1956.

HIGHER QUALITY FOODS

There is a further little appreciated factor involved in the food cost situation: Not only has the cost of farm-produced food dropped sharply as a percentage of consumers' disposable income in the past 20 years, the quality and nutrient value of the foods has increased markedly.

Low-cost potatoes and cereals are now a smaller part of the diet and animal products are a substantially larger part than 20 years ago. In 1964 and 1965 consumers purchased 213 and 207 pounds of meats and poultry per capital, over 20 percent more than in 1947–49.

Increased market supplies of beef in the first half of 1966 with increased supplies of poultry and pork in the latter half of the year will probably permit a modest further increase in 1966 in meats high in proteins and other dietary elements essential to good health.

THE EQUITY OF THE PARITY GOAL

The equity and relevance of the parity goal for farm prices and farm income, repeatedly stated in our agricultural laws, is to be examined carefully later this year, following a Department of Agriculture report required by the Agricultural Act of 1965, on progress toward parity.

There may be disagreement at that time over the precise applicability of the parity price formula, or various parity of income formula for farmers. Some farm spokesmen contend that revisions of the parity formula since its adoption have depressed the level unfairly. There may be argument that technical progress in agriculture has outdated the formula.

The irrefutable facts are that food is a bargain; that its real cost has not gone up with other costs in the economy; that farm debt is at record levels and rising; that farm liquidations continue at an 80,000 to 90,000 annual rate; that agriculture has not shared fully in our prosperity; that improved farm prices and income are both needed and merited by family farmers, and that the very small amount of disposable income required to achieve parity farm prices, which could be easily absorbed now, would, by assuring a healthy and productive farm food plant, prove a bulwark of economic stability in years just ahead when population pressure on food capacity is increasing. A far greater threat would be shortages of food items which might result from liquidations of productive capacity such as the decline in dairy herds and production going on at the present time due to low returns to the farmers.

Under the circumstances, there can be no reason for any agency of Government to avoid the provisions of law which, like section 2 of the Agricultural Adjustment Act of 1938, as amended, declares Government policy to be one of "assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income, and assisting consumers to obtain an adequate supply of such commodities at fair prices." It is a passage of enacted law, among others, which clearly reflects congressional determination—approved by the executive branch in the lawmaking process—that parity prices for farmers are desirable and are fair to consumers as well as the producers.

Mr. MONTOYA. Mr. President, I ask unanimous consent that a statement by the National Farm Coalition on the farm bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE NATIONAL FARM COALITION ON SENATE FARM BILL

The National Farm Coalition commends the chairman and members of the Senate Agriculture and Forestry Committee for improving the farm bill passed by the House of Representatives. We sincerely and strongly urge the Senate to further improve the bill by approving the Montoya Amendment to maintain feed grains income. The amendment will restore the parity concept for feed grains, applying the same principle of parity relationship as is provided for wheat and cotton.

We must oppose attempts to weaken the bill by:

(1) Removing advance payments for wheat and feed grains producers.

(2) Removing or lowering loan floors and/or removing the parity concept from price supports for cotton and wheat.

(3) Substituting the "set aside" land retirement plan for the supply management features now in the bill for wheat and cotton.

The bill now before the Senate—even with the improvements made by the Committee—does not provide the improvement in farm income that is so bady needed. It could well result in lower feed grain income because the Feed Grain title makes no provision for compensating for rising costs as provided for in the Wheat and Cotton titles. It retains the questionable "set aside" land retirement plan as the mechanism for supply management in feed grains.

It is inconceivable that the Congress could approve farm legislation in this uncertain period of spiraling inflation and rising costs that would provide less income than farmers now have under existing legislation.

Mr. MONTOYA. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, I oppose the amendment, and I hope the Senate votes it down. I feel that the bill the committee brought to the Senate treats all commodities in a just manner.

It is true that the corn provisions do not contain the parity concept, but insofar as loans are concerned we put a floor of a dollar per bushel in the provision. If we adopt the amendment now before us, my fear is that we will again be confronted with huge surpluses in corn.

Corn is a crop that can be easily grown. The corn growers have never consented to bring themselves under marketing quotas. They have preferred no programs at all, and yet they were able to get price supports under various administrations.

If any Senator on that committee who represented the corn growers desired to put in the bill a price-floor, or the parity concept, I certainly would not have objected. Under the present law the parity concept is in effect and, insofar as corn is concerned, it is 65 to 90 percent, the same as for cotton.

To raise the parity floor of 65 percent under the present law to 77 percent, as is proposed by my good friend from New Mexico, would certainly do violence to our policy toward other commodities.

Because the corngrowers were under no limitation as to the acres that could be planted—the corn program has been all voluntary—back in 1961 the corn surplus grew so large that we had to pass a special act in order to work out ways and means of getting rid of the surplus supplies. At that time the surplus was 85 million tons, when from 35 to 40 million tons would have been a suitable carryover.

Because corngrowers were never under any mandatory program as cottongrowers were, as well as wheat until about 2 years ago, the corn surpluses grew very quickly.

As a result of the laws that were enacted in 1961, and then in 1962, and then extended under the present act the cost to the taxpayers for corn alone amounted to $14 billion in a period of about 9 years. That is what the record shows. The cost was brought about because of the surpluses which accumulated.

I hope we do not put ourselves in a position where we will again be plagued with huge surplus supplies.

I want to say to my good friend from New Mexico and also my good friend from Minnesota that last night, in discussing this matter with the Senator from Minnesota (Mr. MONDALE), I said I would agree to a floor similar to that which was given to the cottongrowers, as well as the wheatgrowers. For some reason this was not acceptable. It seemed to me that we could agree to take a floor of 75 percent of parity to conference.

I dislike opposing the amendment, but I think the bill we have before us is well balanced. As I said, in order to put it in better balance, I was willing, as chairman of the committee, and I think the committee itself might have agreed to accept the parity concept, had members of the committee from the grain-growing States even made the suggestion.

The Senator from Iowa (Mr. MILLER), who is on the committee, never made such a suggestion. He seemed to be satisfied with the bill as presented. Since no one on the committee made any effort to provide for the corn growers the parity concept, the committee took no action on it.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. ELLENDER. I must say my good friend from South Dakota (Mr. McGOVERN) did make a suggestion that, in lieu of the bill that the House enacted, as far as corn was concerned, we adopt the present law.

I urged the Senator from South Dakota (Mr. McGOVERN) not to insist on that amendment, in the hope that we could have the bill as it is now before the Senate in its present form sent to conference, so that we could get a compromise more agreeable to all concerned.

My fear is that if we "sweeten" the bill too much, as my good friend from New Mexico is now seeking to do, we may have a hard time in conference in getting the bill to a point where it will be acceptable to the administration.

For that reason, I hope Senators will vote against the amendment and try to vote for the bill in as near the form as it is now before the Senate as possible. I feel confident that when the matter is before the House we can work our will in conference. Since the Senate bill is a complete substitute for the House bill, the whole bill will be in conference, and differences can be ironed out in acceptable form. I hope we will be in a position to be able to bargain.

If we start, as my good friend from New Mexico is suggesting, to work wheat against corn and corn against cotton, and so forth, we may get into a fight that may result in more and more amendments.

The committee has given this program a great deal of study. I am hopeful that the Senate will vote down the amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I want to say, as I said last night, that while there are some provisions of this Senate bill which I do not approve, nevertheless I would not want to jeopardize getting a bill through this session of Congress for the sake of 1 cent or 2 cents a bushel difference in the support price of corn, be it more or less.

I have felt for a long time that while the parity formula may yet be applicable for determining a fair price for many farm commodities, nevertheless it is completely outmoded for the purpose of determining the fair price for farm commodities as a whole.

Take the present subject, corn. It was not so long ago that the land where corn was planted was prepared with small tractors or teams. Today, land can be prepared for the planting of corn in minutes, whereas it used to take days.

As for the planting itself, I used to plant it by hand, as did probably half the corn growers of this country. Now many acres can be planted in an hour.

Years ago there were those who felt nature had provided enough fertilizer for corn. Now it is fertilized by chemicals, costly, to be sure; nevertheless, chemicals that will increase the yield of the crop three or four times.

At the time the parity formula was put into effect, weeds were chopped out of the cornfields with a hoe by hand. It meant a tremendous amount of hand labor. Now the weeds can be killed in the larger cornfields by spraying with a plane, and in a few minutes, perhaps, killing the weeds on 100 acres or more.

We have indeed come into a different era as far as the production of many crops is concerned, and corn appears to be one of them.

As for harvesting, that, too, has changed so completely that instead of harvesting corn in rows 3 feet apart and hills, as we called them, 18 to 24 inches apart, we harvest corn today in rows that may be 2 feet apart with the plants perhaps a foot apart. The result has been that the yield of corn per acre has increased from less than 30 bushels at the time the parity formula was adopted, to nearly 100 bushels at the present time. Processing and marketing have changed accordingly. We have gone out of the hand era into the push-button era.

Thus, I do not think the parity formula is at all applicable in determining a fair income for corn producers in this day and age. I agree with the chairman of the committee and the other members of the committee that we do not want to jeopardize getting any farm bill at all at this time by a host of amendments, because once we accept two or three, we will have 40, I presume; and we will have that many unless times have changed. I do not believe that is in the interest of American agriculture, by any means.

So I hope we will not clutter up the bill with amendments. If we do not do that, we can go into conference with the House of Representatives and have almost every relevant thing that we wish to consider in one bill or the other. Then we can come out with a fair bill within a very short time, a bill that is acceptable to the Department—or it might not be acceptable to the Department, but it will be the best they can get.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I have been awaiting certain Members of the Senate who are on the committee, to whom I have promised time, and I do not see them here.

I yield to the Senator from West Virginia.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR KENNEDY TOMORROW

Mr. BYRD of West Virginia. I ask unanimous consent that upon the disposition of the Journal on tomorrow and the disposition of any unobjected-to items on the legislative calendar, the Senator from Massachusetts (Mr. KENNEDY) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. I ask unanimous consent that the previous order recognizing the able Senator from Massachusetts (Mr. KENNEDY) for a period of 30 minutes at a later point during the program tomorrow be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TEMPORARILY LAYING ASIDE THE UNFINISHED BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that tomorrow afternoon, not later than 5 o'clock, the unfinished business be temporarily laid aside and that it remain in that status until the disposition of the Journal on Thursday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR DIVISION OF TIME FOR DEBATE ON CLOTURE MOTION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that following the disposition of the Journal on Thursday morning next, the 1-hour rule under XXII for the debate on the motion to invoke cloture be equally divided between the author of Senate Joint Resolution 1, the Senator from Indiana (Mr. BAYH), and the minority leader or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO MEET DURING SENATE SESSION TOMORROW

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. HOLLAND. Has permission already been granted for committees to meet in the morning? The Agriculture Committee has its regular meeting set at 10 o'clock.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore (Mr. ALLEN):

S. 203. An act to amend the act of June 13, 1962 (76 Stat. 96), with respect to the Navajo Indian Irrigation project;

S. 434. An act to authorize the Riverton extension unit, Missouri River Basin project, to include therein the entire Riverton reclamation project, and for other purposes;

S. 3617. An act to amend the Marine Resources and Engineering Development Act of 1966 to continue the National Council on Marine Resources and Engineering Development; and

S. 3838. An act to prevent the unauthorized manufacture and use of the character "Johnny Horizon," and for other purposes.

AGRICULTURAL ACT OF 1970

The Senate continued with the consideration of the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The Senator from Lousiana is recognized.

Mr. ELLENDER. Mr. President, I am still waiting for the Senator from Kansas, who was to participate in this debate with respect to feed grains, and also the Senator from Iowa (Mr. MILLER).

Mr. President, I urge with all the emphasis at my command that the Senate would make a mistake by the adoption of this amendment. It would throw out of kilter the parity formula insofar as other crops are concerned, and there is no doubt but that if we change the parity concept, that is, the floor, from the present 65 percent in the law to 77 percent, efforts would be made in conference to do the same thing for other commodities, particularly cotton and possibly wheat.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I wish to say this, Mr. President, in addition: Corn, at $1.35 per bushel, is at a very good price. That is virtually guaranteed in this bill. But in order to protect corn further, as I have stated, and in order to include corn growers within the parity concept, I was willing to accept 75 percent of parity rather than the 77 percent that is now being suggested.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that the larger price guaranteed for the feed grains would necessarily mean an increase in the price of beef, pork, poultry, and milk?

Mr. ELLENDER. There is no doubt about that.

Mr. President, it is true that the protection is given to production on only 50 percent of the allotted acres; but, Mr. President, there is no crop grown for which the acreage remains as high as in the case of corn. As I have said before, the corn growers were able to have price supports and be protected against market fluctuations, under our laws, without having to vote themselves into a mandatory program. For that reason, the program remained more or less voluntary. As a result, the corn growers planted almost to their full capacity, until 1961, when efforts were made to limit production on a voluntary basis so as to reduce the huge surplus that had accumulated over the prior years.

Mr. President, I have before me the actual figures of feed grain production back in 1932, when we had many horses and mules to feed. The total acreage of corn planted was 185.2 million. This year, 1970, the actual amount planted is estimated at 120 million acres. Thirty-nine million acres have been set aside, and farmers will receive pay on some of that acreage.

All in all, the corn farmers have been well taken care of. As the Senator from Florida pointed out just now, if we make the price of corn too high, it is going to affect the cost of beef, the cost of poultry, the cost of hogs, and the cost of other animals to which the corn is fed.

It strikes me that the distinguished Senator from New Mexico should bear that in mind and try to work with the committee, so that each commodity will be treated similarly.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Mr. President, during my service in the Senate, no one has fought harder for farm programs than has the Senator from Louisiana, and no one has been more effective. He has been extremely fair.

As the bill came from the House, certainly the feed grain section was far better than the cotton section or the wheat section. It has been improved greatly by committee action.

I would hope that the sponsors of this amendment would accept the 75 percent that the chairman of the committee has offered. This is probably the first time I have ever stood on the floor of the Senate, in more than 25 years, and advocated a little lower price support. It is only 2 percent, but it would help us tremendously with the Department of Agriculture, with the President, and with the House of Representatives. We would be in a much stronger position if we took the 75 percent than to stick to the 77 percent. The amendment does establish the parity concept which is all important to farmers—this would be true whether the level approved would be 75 or 77 percent.

Mr. ELLENDER. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MONDALE. Mr. President, I rise in support of the Montoya amendment, because 77 percent is not an extravagant or outrageous demand, but simply pegs the prices where they are today.

First, feed grains, under the Agriculture Committee recommendation, are singled out as the only crop to which the key principle of parity has been denied.

Second, under the Senate Committee formula, it is the only commodity with respect to which prices can be reduced below those presently obtaining.

Third, it is the only commodity that will not have its minimums raised as prices elsewhere rise. It is a fixed floor, which will become increasingly out of date as prices inevitably rise, so that with each succeeding year the feed grain farmers will fall even further behind than they are today.

Under the present bill, cotton, for example, is pegged at a minimum of 65 percent of parity.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONDALE. I ask unanimous consent that I be permitted 1 minute on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. If the Montoya amendment is adopted, under the most liberal interpretation, the minimum price support for the total production of corn will be 61.6 percent; and if the offer suggested by the Senator from Louisiana is adopted, the blended parity will be less than 60 percent—approximately 59 percent of parity.

So we come here not asking for special advantages. We are asking for parity for feed grains, and we are asking for parity with wheat and cotton, and that is the minimum we request. We think that in all fairness the Montoya amendment should be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield a few minutes of my time to the Senator from Iowa (Mr. HUGHES).

Mr. HUGHES. I want to express my appreciation to the distinguished Chairman of the Committee on Agriculture for yielding me time, because I am not in agreement with the chairman on this particular amendment. I support the Montoya amendment.

Mr. President, as a Senator from one of the great food and fiber producing States of the Nation, I want to express my deep sense of urgency regarding the need for the enactment of amendment No. 902, of which the chief sponsor is the Senator from New Mexico (Mr. MONTOYA).

As Senators know, the farm bill as reported by the Senate Agriculture Committee contains reasonable protection

for cotton and wheat producers against cost-of-production increases through a tie-in with parity. No objection is raised to this provision. The objection is that this protection is not extended to feed grain producers—one of the most important sectors of our agricultural production and one that is feeling the greatest impact from depressed farm income.

If present trends continue in farm prices and in the increase of production costs, the feed grain producing regions of the country will be facing a disastrous situation in the years ahead unless we pass this provision to relate feed grains to parity as well as wheat and cotton.

Before making further reference to the Montoya amendment, I would like to make a few comments about H.R. 18546 as amended by the Senate Agriculture Committee.

I believe we are deeply indebted to the Senate Agriculture Committee, under the chairmanship of the distinguished Senator from Louisiana (Mr. ELLENDER), for the improvements made to the House version.

Despite rather strong misgivings about some of the bill's provisions, I will generally support it.

Time is of the essence. We are in the 11th hour of the need to give fall wheat producers an answer on their production adjustment problem for 1971. This answer is already more than 2 months past the time when wheat farmers normally make decisions on how much acreage to plant to wheat and how much to put to summer fallow or other use.

I also appreciate the fact that the Agriculture Committees of both Houses felt compelled to depart considerably from the basis of past legislation to minimize the chance of a Presidential veto.

In the absence of new legislation to replace the Food and Agriculture Act of 1965 which expires this year, American agriculture would be thrust back again to the ruinous cycle of production boom and income bust. So the circumstances argue for quick favorable action on this bill, despite its imperfections.

What is it about this bill that causes me to regard it as a weak successor to previous legislation? Its main shortcoming, as I see it, is its general acreage set-aside provision under which specific limits on individual feed grain and wheat crop could be abandoned.

In that case, program participants would be free to go in any direction on their crop mix, even to serious over-planting or under-planting of any one crop such as corn or soybeans.

I think we all understand that this loose acreage adjustment option was incorporated at the insistence of the Administration. At first thought, such an alternative to present programs has considerable producer appeal but the Nation's crop production pattern would be subject to unsettling wide swings and so would farm prices. Production-boosting technology is still too much on the march in American agriculture to make this a wise course, at least for the next 3 years, which is the life of this bill's authority.

In view of the corn blight problem which may recur in 1971, an excessive shift away from corn to soybeans is conceivable. This would be further upsetting for livestock feeders, especially hog men who have seen their prices fall by $5 per hundredweight in recent weeks, one of the sharpest and most rapid drops on record. The usual consequences of such a dislocation is a sharp downswing in farrowings and consumer criticism of farmers.

The Senate version of the bill does authorize the Secretary of Agriculture to continue specific feed grain acreage limitations if he determines this is necessary to provide an orderly transition to the non-specific set-aside program. To date, however, administration spokesmen have given no indication that this might be done.

The new bill before the Senate does have the virtue of reducing and, after several years, eliminating a farm's acreage allotment or base acreage of cotton, wheat or feed grains if it is deliberately underplanted. This is designed to foreclose on too wide swings away from the basic program crops of cotton, wheat and feed grains and to provide a reserve for upward adjustment where needed on individual farm allotments or base acreages.

At the same time, however, under another provision in this bill, the Secretary of Agriculture could largely nullify this safeguard by permitting allotted acres planted to crops other than the three program crops to be considered as planted to a program crop, thereby avoiding the underplanting penalty.

Under the legislation now expiring, some interchangeability between wheat and feed grains has been permitted but this new bill goes much further by including soybeans as an approved substitute crop and extending the option to the cotton program if also in effect for wheat and feed grains. I can see additional trouble arising even from careful administration of this broadened authority.

Moreover, the Secretary is authorized to permit cotton or other unspecified commodities to be planted on cotton set-aside acres and under the wheat and feed grain sections, the Secretary must permit producers to plant and graze sweet sorghum on the set-aside acres.

The bill before us is an improvement over the House-passed bill in still another way in that it puts floors under loans for wheat and feed grains. However, in both versions the national average market price for corn in the first 5 months of the marketing year, October through February, is to be taken into account in setting the support payment rate per bushel on 50 percent of the base acreage.

At the same time, the sum of this price average and the program payment shall add to $1.35 and the payment portion cannot be less than 32 cents per bushel. Thus, if the looseness of the set-aside provision failed to keep corn plantings within reasonable bounds, the Government could find itself stuck with higher, not lower, program costs, and American agriculture would again be seriously unbalanced.

But perhaps the most disturbing fact about the farm bill in the form it reaches us is that while the support payment provisions for cotton and the certification formula for wheat are related to parity levels, this is not the case with the support payments for feed grains. Thus, feed grain producers would no longer have the protection of an upward adjustment in their payment basis in the event of further inflation of the general price level and farmers' costs.

I am pleased to see that advance payments this time are made mandatory for all three basic crops, with the Senate version requiring such disbursements in 60 days after signup. I understand that the administration is strongly opposed to this Senate provision, partly because the money for 1971 would have to be provided before July 1 and thus would make its current fiscal year budget look still worse.

In a letter to Senator ELLENDER, Senate Agriculture Committee chairman, saying the Senate version is "not satisfactory." Secretary of Agriculture Hardin argued in substance for unlimited flexibility on support levels as well as on producer choice of a crop mix. He emphasized that this is needed to "allow the U.S. farmer to compete effectively in world markets."

This is further proof to me—and I am sure to a good many farmers by now—that the Nixon administration seems set on a course of letting farmers take the rap in the form of lower prices to help cool inflation and improve our trade balance abroad.

The more I study this new set-aside approach, the more I wonder why the administration has been so insistent on it. It could be a real nightmare for both farmers and the Secretary of Agriculture in some later year, if not in 1971. The potential for erratic swings in production, not only of the major crops, but also in livestock output, is enormous.

In short, as I indicated at the beginning of these remarks, I find on balance that this bill deserves support but that with its set-aside features it is a weak successor to previous farm legislation.

In conclusion, I would once again urge support for the Montoya amendment.

In the context of this comprehensive farm legislation, providing for the extension and modification of our farm commodity programs, I plead for equal, not preferential consideration, for the feed grain producers who constitute the backbone of midwestern agriculture.

Mr. President, I have stated why, as the junior Senator from Iowa, I think this amendment is very important to my State. I think it is absolutely essential in the economy of the United States. Iowa is among the top three States in hog production in this country and among the top three in cattle production. I have a strong belief that unless we make this tie-in at this level, serious effects will be felt in my part of the country in relation to this grain program.

I am not going to belabor this point. It has already been discussed to a great extent.

I want to congratulate the chairman of the Committee on Agriculture and

Forestry for the tremendous job he has done on this bill, which he received from the House. I think the Senate version is a great improvement over what was received and is indeed an all-out endeavor to try to meet the needs of the various regions of this country and the various major commodities that they produce.

What I am saying is only a very strong, heartfelt effort to let Senators know that the junior Senator from Iowa strongly disagrees with the senior Senator from Iowa on this matter and strongly supports the amendment of the Senator from New Mexico.

I thank the Senator for yielding.

Mr. ELLENDER. Mr. President, will the Senator answer a few questions concerning the situation in Iowa?

Mr. HUGHES. I will.

Mr. ELLENDER. As I understand, the State has fared pretty well under the present law; has it not?

Mr. HUGHES. Yes, it has.

Mr. ELLENDER. This would even make it better.

Mr. HUGHES. I would only hope so.

The PRESIDING OFFICER. The time yielded to the Senator from Iowa has expired.

Mr. ELLENDER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes.

Mr. ELLENDER. It strikes me, Mr. President, that the Senator from Iowa ought to be well satisfied, because, under the present act, which started in 1965, Iowa farmers collected in 1969, $247,577,000. This amount was second only to Texas, which is four times as large as Iowa.

It strikes me that the adoption of this 77 percent would be 12 points higher than the present law. My fear is, as I have said, that it would throw the whole bill out of kilter and we would have trouble in conference.

In order to be amenable to compromise, as I said, I offered to the Senator from New Mexico a figure of 75 percent which would be 10 points higher than present law.

Mr. HUGHES. I should like to respond to the Senator by pointing out that he must realize the geography of the State of Iowa and the geography of the State of Texas cannot be compared acre for acre because of differences in the amount of tillable soil in the two States. Ninety-eight percent of the soil in Iowa is tillable. Twenty-five percent of the grade A productive soil in the United States lies within the boundaries of my State. Iowa has been treated well, due in great measure to the efforts and support of the Senator from Louisiana. I am reluctant to differ with him because of the tremendous support he has given us in the past, but I point out that the things that can happen in the future under this bill could have a devastating effect in Iowa unless changes can be made. It is therefore important that we try to change the bill.

Mr. MONTOYA. Mr. President, I commend the Senator from Louisiana. He has put out a very good bill, even though we may differ on the pending amendment.

Let me say that the Senator is partially correct when he cites the fact that that is 12 percent above what the present law now provides. But let us go further. The present law provides an area of flexibility at the Department of Agriculture between 65 and 90 percent of parity. The Department of Agriculture has set the percentage of parity at 77 percent. All I am trying to do with my amendment is to lock the present percentage into the bill.

Mr. ELLENDER. It is locked in now at $1.35 a bushel.

Mr. MONTOYA. But I want the percentage, because most of the farm legislation has a lock in of a percentage of parity rather than of price. That is all I am trying to do with my amendment.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MILLER. I think the Senator from New Mexico should know that I had several amendments in the committee. I am very much aware of the fact that there has been inflation and that farmers are concerned about it and concerned about the fact that market prices for farm products have not kept pace with prices in other areas of the economy. Thus, I had an amendment which would have provided that the 32-cent payment would be escalated depending upon the rate of inflation. I talked to a number of farmers and they liked it but, at the same time, we had a bill that came over from the House without any floor for price supports. All it provided was "not in excess" of 90 percent of parity, period.

If my antennae are accurate, most of the farmers in my State are more concerned about having a floor on price supports—rather than a price support which could go down to zero. That is the No. 1 priority item with them.

The committee was good enough to take my amendment unanimously, to put a $1 price support in the bill for corn as the floor. In exchange for that, it seemed prudent to not press for an amendment which would get into the inflation problem and aggravate the costs of the program—especially since this is only a 3-year bill anyhow. So, to me, it was a matter of putting first things first—which are the feed grains farmers most in need of, the $1 floor for price support as against nothing provided by the House, or an inflation escalator relating to payments. I believe a wise choice has been made.

What I am suggesting to the Senator from New Mexico is that he is trying to have it both ways. I would like to have it both ways, too, but I fear for the future of the bill in the conference committee if we overdo it. There is equity behind the amendment because I had an amendment which sought, in a little different way, to do fundamentally the same thing—although it would not have been as costly. But the overall bill represents a compromise among the many varied interests in the Senate Agriculture Committee. The chairman did a commendable job in helping to resolve these conflicting interests.

So I would suggest to my colleague from New Mexico that his amendment should be rejected—granted there is an element of equity in it.

THE FEED GRAIN FARMER NEEDS ADEQUATE PROTECTION, TOO

Mr. YARBOROUGH. Mr. President, it is with the greatest feeling of urgency that I join with my distinguished colleague and good friend, the junior Senator from New Mexico (Mr. MONTOYA), in cosponsoring his amendment No. 836 to H.R. 18546, the Agriculture Act of 1970.

Although the bill passed by the Senate Agriculture Committee provides greater protection for the small family farmer than the House-passed bill, it still has some weaknesses. One of the major weak points is in title V, concerning feed grains. Both the House-passed bill and the Senate committee bill provide for a support level of $1.35 per bushel on corn with payments for grain sorghum and other feed grains to be set by the Secretary of Agriculture at a fair and reasonable rate in relation to corn, But, unlike cotton and wheat, support for feed grains is not related to parity in this new bill, as it was in the old law. Furthermore, only one-half of a farmer's feed grain base is eligible for payments under the pending bill.

In other words, while some protection is given in the Senate committee bill for most crops, the feed grain farmer is forced to face the rising costs of production and marketing during an inflationary period with virtually no protection. Over the 3-year period of this act, his costs will rise steadily, but he will be shackled by a set figure which will be completely out of proportion by 1973. In essence, the feed grain farmer would be given a demotion in pay every day for 3 years. No matter how hard he works and no matter how skillful he may be, his real income will be decreasing every year for the duration of this act, unless we can successfully amend it.

In Texas, 87,348 farms participated in the feed grain programs during 1969. The total number of participating acres in feed grains was 7,928,175. In grain sorghum alone, the participating acreage was 6,715,985, representing nearly 40 percent of the Nation's total. Under the current farm bill, Texas feed grain growers received $124,751,486 in price support and diversion payments for 1969. These Federal farm programs are a very vital boost to the economy of Texas and the Nation as a whole—for farmers, businessmen and consumers alike.

Mr. President, I am joining with the Senator from New Mexico (Mr. MONTOYA) in urging my colleagues to pass amendment No. 836, which sets a floor of 77 percent of parity on feed grains and also provides that the payment on the eligible 50 percent of feed grains would be the difference between the loan rate and 77 percent of parity. The Secretary of Agriculture therefore, could hold the loan rate, which applies to all the acreage on a participating farm, at a higher level than would be possible otherwise. These provisions would guarantee consumers adequate supplies at reasonable prices.

The PRESIDING OFFICER (Mr. GRAVEL). All time on this amendment has now expired.

The question is on agreeing to the amendment of the Senator from New Mexico.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. RIBICOFF (after having voted in the negative). On this vote I have a live pair with the senior Senator from Oklahoma (Mr. HARRIS). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

Mr. LONG (after having voted in the negative). On this vote I have a pair with the senior Senator from Indiana (Mr. HARTKE). If he were present, he would vote "yea." I have voted "nay." I withdraw my vote.

Mr. FULBRIGHT (after having voted in the negative). On this vote I have a pair with the senior Senator from Texas (Mr. YARBOROUGH). If he were here, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Texas (Mr. YARBOROUGH), the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL), is absent on official business.

I further announce that, if present and voting, the Senator from Georgia (Mr. RUSSELL) would vote "nay."

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Utah (Mr. Moss) would each vote "yea."

On this vote, the Senator from Washington (Mr. MAGNUSON) is paired with the Senator from Rhode Island (Mr. PASTORE). If present and voting, the Senator from Washington would vote "yea" and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from New Jersey (Mr. WILLIAMS). If present and voting, the Senator from Washington would vote "yea", and the Senator from New Jersey would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from South Dakota (Mr. MUNDT), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) would each vote "nay."

The result was announced—yeas 31, nays 38, as follows:

YEAS—31

Allen	Gore	Mondale
Anderson	Hart	Montoya
Bayh	Hollings	Muskie
Burdick	Hughes	Nelson
Byrd, W. Va.	Inouye	Proxmire
Church	Jordan, N.C.	Saxbe
Cook	Mansfield	Smith, Ill.
Cooper	McCarthy	Sparkman
Cranston	McGovern	Symington
Eagleton	McIntyre	
Ervin	Metcalf	

NAYS—38

Aiken	Fannin	Percy
Allott	Fong	Schweiker
Bellmon	Gravel	Scott
Bennett	Griffin	Smith, Maine
Bible	Gurney	Spong
Boggs	Hansen	Stennis
Brooke	Holland	Stevens
Byrd, Va.	Hruska	Talmadge
Case	Javits	Thurmond
Dole	McClellan	Tydings
Dominick	Miller	Williams, Del.
Eastland	Packwood	Young, N. Dak.
Ellender	Pearson	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY ANNOUNCED—3

Fulbright, against.
Long, against.
Ribicoff, against.

NOT VOTING—28

Baker	Jackson	Pell
Cannon	Jordan, Idaho	Prouty
Cotton	Kennedy	Randolph
Curtis	Magnuson	Russell
Dodd	Mathias	Tower
Goldwater	McGee	Williams, N.J.
Goodell	Moss	Yarborough
Harris	Mundt	Young, Ohio
Hartke	Murphy	
Hatfield	Pastore	

So Mr. MONTOYA's amendment (No. 902) was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMINGTON. Mr. President, on behalf of the Senator from Montana (Mr. MONTOYA), the Senator from Minnesota (Mr. MONDALE), and the Senator from Iowa (Mr. HUGHES), I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 87, line 7, strike out "$1.35 per bushel" and insert in lieu thereof the following: "(A) $1.35 per bushel, or (B) 75 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater".

Mr. SYMINGTON, Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 3 minutes.

Mr. SYMINGTON. Mr. President, the basic difference between this amendment and the amendment just rejected is that this amendment asks for 75 percent of parity as against 77 percent.

I earnestly hope the distinguished chairman of the Committee on Agriculture and Forestry will accept this amendment and take it to conference with the House.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. ELLENDER. Mr. President, as I stated earlier in debate, I had agreed to take this proposal to conference when it was first offered by the Senator from New Mexico (Mr. MONTOYA). I do not want to renege on that agreement.

As far as I am concerned I accept the amendment and I will take it to conference with the House of Representatives.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. SYMINGTON. Mr. President, before yielding I thank my gracious and able colleague from Louisiana for making what I think is a fine move toward having agricultural income more commensurate with nonagricultural income. I thank him very much.

I yield to the distinguished Senator from Minnesota.

The PRESIDING OFFICER (Mr. HUGHES). The Senator from Minnesota is recognized.

Mr. MONDALE. Mr President, I wish to join with the distinguished Senator from Missouri.

I wish to make clear, as I know the Senator from Missouri has often stated, that this is probably the best we could do and it does substantially improve the Senate reported bill and remarkably improve the House-adopted bill because with respect to feed grains, while it does permit some reduction in the present prices—which I greatly regret—it permits the floor to float upward as prices increase. It is an important step forward and an important improvement.

I am very glad to join the Senator from Missouri in this essential step.

Mr. SYMINGTON. I thank the able Senator. This accepted amendment reestablishes the concept of parity with respect to feed grains.

I am glad to yield to my very good friend from North Dakota.

Mr. YOUNG of North Dakota. I thank my distinguished colleague for yielding. I was going to say what the Senator from Missouri has just said. It does reestablish the parity concept which is most important to farmers all over the country.

Mr. SYMINGTON. I thank the Senator.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the distinguished Senator from Iowa.

Mr. MILLER. Mr. President, as I stated earlier with regard to the Montoya amendment which called for 77 percent of parity, this was somewhat along the lines of an amendment the Senator from Iowa proposed to offer in committee. However, my amendment had to do with an escalator relating to the 32-cent payment and was much more modest than the Montoya amendment. The Senator from Missouri has offered a modification calling for 75 percent of parity as against 77 percent, and this percentage comes out very close to the amount my amendment would have provided. If anything, I would say it is under the potential cost of my amendment.

I do not believe we are talking about very much money with the 75 percent of parity amendment, but it gives some assurance that some recognition of the fact of inflation will be put into the program.

Many farmers throughout the country have been squeezed both ways by prices which have not gone up commensurate with prices in other segments of the economy, and by the costs of production which have gone up so fast.

I think the Senator has offered a moderate proposal which I can support and I intend to vote for it.

Mr. SYMINGTON. Mr. President, I thank my able and distinguished friend from Iowa because, as he pointed out, it does establish a base, but at the same time it does protect the whole concept of parity. If inflation continues this amendment would be of great assistance to all farmers. We all know that.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I have been asked to ask unanimous consent that the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor of the amendment offered by the Senator from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Do Senators yield back their time?

Mr. SYMINGTON. I yield back my time.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 2 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I have asked to be recognized so that I may address a question to the chairman. I have talked briefly with the chairman of the committee and believe it would be helpful to have in the RECORD his explanation of why this amendment would be acceptable.

The Senator had a good explanation, hence I see no objection to the amendment. If the chairman would respond for the RECORD, it would be helpful to me and other Senators.

Mr. ELLENDER. Mr. President, I have been in conference for the last 3 or 4 days with the Assistant Secretary of Agriculture, Mr. Palmby, and his co-workers. I stated to him that with respect to the amendment to be offered by the Senator from New Mexico it was understood that I would agree to accept 75 percent rather than the 77 percent. Under the parity formula of 75 percent, the cost would amount to about 2.25 cents per bushel less than the $1.35 provided by the bill. With that in mind I agreed, and they consented reluctantly. I do not say they were all for it, but in order to get a compromise I felt that since I had made a promise, I would comply with my agreement.

Mr. DOLE. Mr. President, I share the view expressed by the Senator from Louisiana. I have no objection to the amendment of the Senator from Missouri.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. ELLENDER. I yield back my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I have arranged with the Senator from Illinois (Mr. SMITH) to bring up a matter which will be very brief. I have an amendment at the desk, which I ask to be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. JAVITS is as follows:

At the end of the bill add a new title as follows:

TITLE X—FOOD STAMP ACT AMENDMENTS

SEC. 1001. The Food Stamp Act of 1964 is amended as follows:

(1) Section 2 is amended to read as follows:

"SEC. 2. It is hereby declared to be the policy of Congress in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other agencies to the maximum extent to safeguard the health and well-being of the Nation's population and provide adequate levels of food consumption and nutrition among low-income households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate levels of food consumption and nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households with low incomes to receive a share of the Nation's food abundance sufficient to provide them with adequate levels of food consumption and nutrition, is herein authorized."

(2) Subsection (b) of section 3 is amended by adding at the end thereof a new sentence to read as follows: "The term 'food' also means such products as the Secretary may determine to be necessary for personal cleanliness, hygiene, and home sanitation."

(3) The second sentence of subsection (e) of section 3 is amended to read as follows: "The term 'household' shall also mean (1) a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption, or (2) an elderly person who meets the requirements of section 10(h) of this Act."

(4) Subsection (f) of section 3 is amended by adding at the end thereof a new sentence to read as follows: "Such term also means a private nonprofit institution, boarding house (other than a fraternity, sorority, or other social club) or school which provides meals to persons of sixty-five years or over who are not residing in an institution or boarding house; a private nonprofit organization that prepares and delivers meals to persons of sixty-five years or over in their homes; and commissaries operated by the Department of Defense which shall accept coupons in exchange for food for any participating household which otherwise is eligible under regulations of the Department of Defense to utilize the services of such commissaries."

(5) Subsection (j) of section 3 is amended to read as follows:

"(j) The term 'State' means the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands."

(6) Subsection (a) of section 4 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Secretary is authorized to formulate and administer a food stamp program under which eligible households within a State will be provided with coupon allotments of sufficient monetary value to enable them to purchase a nutritionally adequate diet. Such program shall be carried out in any State at the request of the appropriate State agency of such State or pursuant to section 10(f) of this Act."

(7) Subsection (b) of section 4 is amended to read as follows:

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder shall be made: (1) during temporary emergency situations when the Secretary determines that commercial channels of food distribution have been disrupted because of a disaster; (2) in any county where a food stamp program is being initiated and where federally owned foods have been distributed to households during any one of the three months immediately prior to initiation of a food stamp program exceeds the monthly average number of persons who received federally owned foods during the three month period immediately prior to the initiation of a food stamp program; or (3) on request of the State agency if the State agrees to finance, from funds available to the State or political subdivisions thereof, all of the costs, subsequent to the delivery of such foods within the State, of handling, storing, and issuing federally donated food to eligible households in the area."

(8) Section 5 is amended to read as follows:

"SEC. 5. (a) Households whose income is determined, as provided in this section, to be insufficient to permit them to purchase a nutritionally adequate diet shall be eligible to participate in the food stamp program.

The Secretary shall prescribe, not less often than once a year, the minimum level of income a household must have in order to purchase a nutritionally adequate diet for the members of such household and be financially able to meet the other normal living expenses of a household. He shall prescribe such level of income for households composed of varying numbers of individuals, but in no case shall the minimum income level prescribed by the Secretary be less for any household than the equivalent of $4,000 per year for a household composed of four persons. In prescribing minimum income levels for households under this section the Secretary may take into consideration such relevant factors as the regional variations in the cost of food described in the low-cost food plan published by the Agricultural Research Service of the United States Department of Agriculture or such other relevant factors as he deems appropriate but may not consider the availability or expected availability of appropriations to carry out this Act. The Secretary shall also prescribe the maximum level of income for households composed of varying numbers of individuals above which households shall be ineligible to participate in the food stamp program. Income limitations prescribed under this subsection shall be revised annually to reflect any increase in the cost of living, as determined on the basis of the Consumer Price Index (all items, United States city average), published monthly by the Bureau of Labor Statistics, Department of Labor.

"(b) In complying with the limitations on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such eligibility standards shall comply with the maximum and minimum income levels prescribed by the Secretary under subsection (a) of this section and shall also place a limitation on the resources to be allowed eligible households, but such limitation shall apply to the income, if any, realized from such resources and not to any income which might be realized through liquidation of such resources. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary."

(9) Subsections (a) and (b) of section 7 are amended to read as follows:

"(a) Except as hereinafter provided in this subsection, the face value of the coupon allotment which is issued to any household certified as eligible to participate in the food stamp program shall be not less than the amount necessary to purchase a nutritionally adequate diet for the members of such household. The amount necessary to purchase a nutritionally adequate diet for households composed of varying numbers of individuals shall be determined by the Secretary and shall be revised annually by the Secretary. In determining the amount necessary to purchase a nutritionally adequate diet for any household the Secretary shall take into consideration such relevant factors as he deems appropriate but may not consider the availability or expected availability of appropriations to carry out this Act. In no event shall the amount determined by the Secretary to be necessary to purchase a nutritionally adequate diet for any household be less than the amount which the Agricultural Research Service of the United States Department of Agriculture determines to be necessary to permit a household of comparable size to purchase the kinds of amounts of food contained in the low-cost food plan established by the Agricultural Research Service of the United States Department of Agriculture and published in the 'Family Economics Review'. The Agricultural Research Service shall revise and publish the amount which it determines to be necessary to purchase such food at least annually to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor.

"(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as is determined not to exceed a reasonable investment on the part of the household: *Provided,* That (1) any eligible household whose income is less than one-half the current amount necessary to purchase a nutritionally adequate diet prescribed by the Secretary under section 7 (a) of this Act shall not be charged any amount for such coupon allotment; and (2) in no case shall any eligible household be charged an amount greater than an amount equal to 25 per centum of the income of such household for such coupon allotment."

(10) Subsection (a) of section 10 is amended to read as follows:

"SEC. 10. (a) The food stamp program shall be administered to insure that participants are afforded the opportunity to receive at schools, at approved retail food stores, in their homes, or at other appropriate places convenient to participants such instruction and counseling as will best assure that they are able to use their increased purchasing power to obtain those nutritious foods most likely to insure that they receive a nutritionally adequate diet. The food stamp program shall also be administered to insure that all households eligible to participate in the program are informed of its existence and given such assistance as may be required to enable them to make application for the benefits of this Act. In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted for the purpose of providing nutrition counseling and home economics services for eligible households using such authorities as may be available to the Secretary, or in cooperation with other agencies of the Federal Government or private agencies. The Secretary is authorized to use the educational potential of the national school lunch program and its extension to introduce better eating patterns and better nutrition to eligible households under this Act."

(11) Subsection (b) of section 10 is amended by striking everything following the colon and inserting in lieu thereof the following: "Provided, That the State agency shall comply with the requirements of clauses (2) and (3) of section 10(e) of this Act. The operating agency may delegate its responsibility for the issuance of coupons and the collection of the amounts charged from eligible households to the United States post offices, banks, credit unions, or any other public agency or private nonprofit agency. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations."

(12) Subsection (c) of section 10 is amended by inserting immediately preceding the first sentence the following: "Any household making application for the benefits of this Act shall be certified for eligibility solely by execution of an affidavit, in such form as the Secretary may prescribe, by the member of such household making application. Certification of a household as eligible in any political subdivision shall, in the event of removal of such household to another political subdivision in which the food stamp program is operating, remain valid for participation in the food stamp program for a period of sixty days from the date of such removal."

(13) Subsection (d) of section 10 is amended by inserting immediately preceding the first sentence the following: "Notwithstanding any other provision of this Act, a household may, if it so elects, purchase any amount of coupons less than the full coupon allotment it is entitled to purchase. The amount charged any household for any portion of a coupon allotment less than the full coupon allotment shall be an amount which bears the same ratio to the amount which would have been charged such household for the full coupon allotment as such portion of the full coupon allotment bears to the full coupon allotment such household was entitled to purchase. The Secretary shall prescribe general guidelines and minimum requirements with respect to the quality of certification and issuance services to be provided by State agencies to eligible households, including, but not limited to, matters relating to the places, times, and frequency of coupon issuance services in political subdivisions approved for participation in the food stamp program. Such general guidelines and minimum requirements shall include at least the following provisions: (1) that the issuance of coupons shall take place no less often than once per week and (2) that at each issuance of coupons any household may purchase the entire monthly coupon allotment to which it is entitled or any portion of that coupon allotment which it has not previously purchased. The State agency shall, notwithstanding any other provision of law, institute procedures under which any household participating in the food stamp program shall be entitled, if it so elects, to have the charges, if any, for its coupon allotment deducted from any grant or payment such household may be entitled to receive under any federally aided public assistance program and have its coupon allotment distributed to it with such grant or payment."

(14) Subsection (e)) of section 10 is amended by striking "(3)" and "4)" and inserting in lieu thereof "(4)" and "(5)", respectively, and by striking clause (2) and inserting in lieu thereof the following:

"(2) that the State agency shall make every possible effort to insure that all households who meet the eligibility requirements set forth in this Act are certified to participate in the food stamp program;

"(3) that the State agency shall arrange for the issuance of coupons to eligible households and for the collection of sums required from eligible households as payment therefor through the facilities of United States post offices directly or by mail, through the facilities of participating retail food stores or in such other manner convenient to participating households as shall best insure their participation."

(15) Subsection (f) of section 10 is amended to read as follows:

"(f) Notwithstanding any other provision of this Act, the Secretary shall administer a food stamp program through any private nonprofit organization or through any Federal, State, or county agency he deems appropriate in any political subdivision of a State if—

"(1) he determines that in the administration of the program in such political subdivision there is a failure by the State agency to comply with the provisions of this Act, or with the regulations issued thereunder, or with the State plan of operation approved by the Secretary and he has informed such State agency of such failure and such failure has not been corrected after a reasonable period of time; or

"(2) he determines that a food stamp program is needed in such political subdivision and the appropriate officials of such political subdivision or the State have not requested a food stamp program for such political subdivision after the Secretary has made an offer of Federal payments as authorized by this section; or

"(3) a food stamp program is not being

operated, or is not being operated in accordance with the provisions of this Act, in such political subdivision on January 1, 1971, or thereafter; or

"(4) he determines that the ratio of the number of persons participating in the food stamp program in such political subdivision to the number of persons classified by the Office of Economic Opportunity as low income in such political subdivision is not adequate to effectuate the policy of Congress and the purposes of this Act.

When the Secretary administers a food stamp program under the provisions of this subsection, he shall observe, or require the administering organization or agency to observe, all of the appropriate provisions of this Act and regulations issued pursuant thereto."

(16) Section 10 is amended by adding at the end thereof a new subsection as follows:

"(h) Subject to such terms and conditions as may be prescribed by the Secretary, food stamps issued under this Act to any elderly person may be exchanged by such person for meals prepared and served by any group authorized to prepare and serve meals under subsection (f) of section 3 of this Act if:

"(i) such person does not have facilities for the preparation of food in his living quarters, or does not have reasonable access to such facilities, and the meals served by such organization are served in a common dining room and are prepared and served primarily for the benefit of elderly persons; or

"(ii) such person is housebound, feeble, physically handicapped, or otherwise disabled to the extent that he is unable to prepare nutritious meals for himself, and such organization prepares and delivers meals to such person."

(17) Section 14 is amended by adding at the end thereof a new subsection as follows:

"(e) No person shall be charged with a violation of this or any other Act, or of any regulation issued under this or any other Act, or of any State plan of operation on the basis of any statements or information contained in an affidavit filed pursuant to section 6(d) of this Act, except for fraud."

(18) Section 15 is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding the provisions of subsection (a) of this section, the Secretary shall pay to the State agency of a State the costs of issuing coupons to eligible households and of collecting the sums required from eligible households as payment therefor."

(19) Section 16 is amended to read as follows:

"(a) To carry out the provisions of this Act there is hereby authorized to be appropriated not in excess of $1,250,000,000 for the fiscal year ending June 30, 1970; not in excess of $2,000,000,000 for the fiscal year ending June 30, 1971; and not in excess of $2,500,000,000 for the fiscal year ending June 30, 1972. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act. Sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for purposes of this Act until expended.

"(b) Upon written notification to the Congress of his intent to do so, the Secretary is authorized in any fiscal year to obligate sums in excess of the sums appropriated for such fiscal year pursuant to subsection (a) of this section, if such excess obligations are necessary to meet unanticipated increases in participation. In no event shall the amount of excess obligations in any fiscal year exceed an amount equal to 15 per centum of the sums appropriated for such fiscal year pursuant to subsection (a) of this section. The amount of any excess obligation incurred in any fiscal year shall be paid for out of funds appropriated to carry out this Act in the succeeding fiscal year.

"(c) If the Secretary determines that any portion of the funds in the separate account created under section 7(d) of this Act is no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury."

Mr. JAVITS. Mr. President, if I may have the attention of the Senator from Louisiana, manager of the farm bill H.R. 18546. The amendment which I have sent to the desk proposes to add to H.R. 18546, the food stamp bill, S. 2547, which the Senate passed a year ago by an enormous vote of 78 to 14 and which the House has so far failed to act upon.

I would like to point out that there has been considerable expansion in participation in the food stamp program during the past year with the number now reaching 6 million participants. However, there are still about 8 million Americans who conceivably could be reached if we had appropriate legislation such as that which was passed by the Senate.

I am very pleased to learn, after conferring with the distinguished chairman of the Select Committee on Nutrition and Human Needs, the so-called hunger committee, the Senator from South Dakota (Mr. McGOVERN), and the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana (Mr. ELLENDER), that it is very likely, if the Senate acts affirmatively on this bill, which, from all appearances, it will, the so-called logjam in which the food stamp bill has been caught for so very long will be ended. Hopefully, on Thursday of this very week, a rule may be obtained for the food stamp bill in the House.

Incidentally, it will interest my colleagues to know that the National Governors Conference recommended many of the food stamp reforms contained in the Senate passed bill, S. 2547.

I offered the amendment so that I could get the time to ask the chairman of the Committee on Agriculture and Forestry if he would be kind enough to share with the Senate, first, his information on this subject, and, second, his opinion of the best way in which to proceed.

Mr. ELLENDER. Mr. President, in response to the Senator from New York, I think it would be a mistake to put the amendment he proposes on the bill. I was informed, as the Senator from New York stated, that a rule will be obtained this week some time. I think better results and quicker results can be obtained on the food stamp bill by letting the bill now before the House take its course rather than attaching it to the farm bill.

Mr. JAVITS. The Senator feels that, at long last, the logjam will be broken. Is that correct?

Mr. ELLENDER. Yes.

Mr. JAVITS. Mr. President, knowing that the Senator from Louisiana (Mr. ELLENDER) and the Senator from South Dakota (Mr. McGOVERN) feel as strongly as I do about the food stamp bill, with that explanation and assurance from the Senators, I withdraw the amendment.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. DOLE. I believe in fairness to the other body—particularly its Agriculture Committee—it should be stated that it favorably acted on the food stamp bill. As I understand, the bill is now in the Rules Committee, as the Senator from New York has pointed out. If there is favorable action, it is my understanding that the rule will be granted and the logjam will be broken. I share the view expressed by the Senator from New York that we have been a long time trying to get an expanded food stamp program through the Congress. I hope there will be passage of the bill and that action will be taken some time next week on the food stamp bill.

Mr. JAVITS. I am grateful. On the eve of accomplishment I wouldly hardly be critical of those who are going to move.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. McGOVERN. If I had doubt that the other body was prepared to move, I would not only join the Senator in his amendment, but do everything I could to secure its adoption.

As the Senator knows, it was a year ago this month that the Senate passed overwhelmingly a very strong food stamp measure; but I am encouraged to believe that the other body is about to move, at long last, on that measure. I think the Senator is wise in bringing this matter to our attention and also in withdrawing it so the other body can work its will.

Mr. JAVITS. I am thankful to the Senator, who has done so much for the people of the country in this area. It is my confidence in him and the Senator from Louisiana, the Senator from Kansas, and other Senators who are similarly advised that convinces me that this is the right course.

I believed it was useful and important to call vividly to the attention of the Senate how long we have been hung up and to have these expressions of real reliance on the fact that, at long last, we are going to get action.

Mr. McGOVERN. The Senator is to be commended on his action.

Mr. JAVITS. I thank the Senator. I am not doing this idly. There will be other farm bills before us. I think it is useful to let it be known that we are interested in having a food stamp bill enacted into law.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator from New York withdraws his amendment.

AMENDMENT NO. 883

Mr. SMITH of Illinois. Mr. President, I call up my amendment 883.

The PRESIDING OFFICER. The amendment will be stated.

Amendment No. 883 was read as follows:

AMENDMENT No. 883

On page 57, at line 21, strike out lines 21 through and including line 25 and insert the following:

"(1) The total amount of payments which any person shall be entitled to receive under the annual programs provided for under titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodities shall not exceed $20,000. The Secretary shall not permit the sale, lease, or transfer of any acreage allotment or base acreage for any farm if he determines that such action is intended primarily for the purpose of evading the limitation prescribed in this subsection."

Mr. SMITH of Illinois. Mr. President——

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. SMITH of Illinois. I yield myself 10 minutes.

At this time I request that at the conclusion of the debate on this amendment the yeas and nays be taken.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. SMITH of Illinois. Mr. President, next Thursday will mark my first anniversary as a Member of this body. As the newest Member of the Senate, I have often, during my first year, had occasion to marvel at the wisdom, dedication, and expertise of some of my senior colleagues. Among the greatest of these, I have counted the distinguished senior Senator from Louisiana, whose 33 years here is second only to that of the distinguished President pro tempore of the Senate. The Senator's service on the Committee on Agriculture and Forestry is, in my opinion, in the highest tradition of this body. His experience with farm legislation is extensive; his dedication and ability are unquestioned; his goals and aspirations for American agriculture the highest; and his familiarity with the problems of farmers throughout the Nation broad and deep.

I do not, therefore, lightly tap the lance of the very able and experienced Senator from Louisiana on the critical matter of payment limitations. I have offered my amendment only after long and serious consideration, after extensive research, after wide and free interchange of opinion with my Illinois constituents, and last, after a careful analysis of all the effects an across-the-board limitation of $20,000 per person would produce.

Since the early months of my tenure in the Senate and before, I have questioned the wisdom of high subsidy payments to huge agriculturalists like banks, State governments, corporation, and giant agribusinesses. I have been shocked at the conversion of a farm program originally created to help all farmers, but principally the small farmers, into a program specially designed to protect the interests of the corporate giants. I have been appalled at the expense to the taxpayer that excessive, unproductive farm payments impose.

My apprehensions were not new in the Senate. The distinguished Senator from Delaware, and others, had voiced them before, with far greater eloquence. The one significant distinction between myself and those who have long fought the good fight for payment limitations before me is, I believe, that I am the first Senator from a major agricultural State to propose an end to this vast waste. It was always assumed that farmers supported these payments, large and small, and that it would be political suicide to attack them. Now I lay no special claim to legislative courage, but I do think I have done something no other farm State Senator has done before: I conducted a poll of the more than 200,000 Illinois recipients of Federal crop subsidies. I asked them what they thought about subsidy limitations—and they told me. The results were dramatic, decisive and overwhelming; just about nobody in Illinois, farmer or city dweller, widow or housewife, lawyer or hired hand, approved of subsidies in excess of $20,000 per person. Of nearly 10,000 replies, fewer than 5 percent objected to a subsidy limitation at that level, and at least a third suggested that Government get out of agriculture entirely.

Armed with such clear evidence of the feelings of my constituents, and with expert assurances that a $20,000 limitatian would not wreck the farm program, I introduced limitation legislation, first as an amendment to the Senate farm bill, then as an amendment to the agriculture appropriation measure, and finally as an amendment to the bill we consider today. At every step along the way, and contrary to the sky-is-falling protests that this amendment will destroy American farming, I have enjoyed the support of those who believe that the very opposite will result: that the ugliest, most unseemly, and most abused element of the farm program can and should be removed; and that American agriculture can and should be rid of the black eye huge subsidy payments have given it.

Mr. President, an amendment identical to the one I offer today was attached to the Agriculture Appropriation Act by a vote of 40 to 35 here in the Senate. Because the House version contained no such limitation, the Agriculture Appropriation Act languishes, awaiting conference—awaiting Senate reiteration of its bold and forthright action of only a few weeks ago.

I might add, Mr. President, that the reaction to that first success in history in the Senate limiting crop subsidies was widespread and almost universally favorable. From Dallas, Tex., to Boston, Mass.—including both metropolitan and farm newspapers—editors, reporters, and the public enthusiastically supported the $20,000 limitation. I ask unanimous consent that a sampling of newspaper clippings concerning this topic be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SMITH of Illinois. Mr. President, I offer for the third time a brief, simple amendment, but one which would chart a fundamental reform for agriculture legislation. The amendment would limit to $20,000 Federal crop subsidies payable to any one producer.

Not long ago, President Nixon challenged both the Congress and the American people with the hope that under his administration, the 1970's would be "a great age of reform of the institutions of government." Today we have an opportunity to achieve just such reform in an area vital to the whole country—the agricultural sector. With a single vote we can wipe from the slate the most scandalous, unfair, ridiculous, expensive, and indefensible Government program ever put on the books. We can outlaw payments of $1 million or more to eight giant agribusinesses for income supplementation; we can forbid 14 checks of between ½ and $1 million to similar entities, and, if we have the will and the courage to do so—we can turn agriculture legislation in a new direction—a direction toward less interference in the marketplace and toward Government help where it is genuinely needed.

When I introduced my amendment in early July, Mr. President, only the distinguished senior Senator from Delaware joined me in cosponsoring the measure, and defending it on the floor of the Senate. Today there are Senators cosponsoring not only from the Midwest, but from the far West, the middle Atlantic region, and New England. They are of both political parties and are united in their desire to enact a farm program fair to all citizens.

In July, some Senators suggested the appropriations bill was not the proper place for a payments limitation; they insisted that when the general farm legislation came up, they would happily consider a payment limitation. Well, that day has arrived, and what do we see in the bill? We see apitiful, weak, puny, half-hearted gesture toward payments limitation—a "limitation" which is effectively $165,000 per producer, in lieu of the limitation with teeth in it—$20,000 per person—which the Senate has already specifically approved.

Why does the bill before us contain a "limit" of $165,000? Is the committee deaf to the will of the Senate?

At least it can be said that the committee and the administration have accepted the principle of a subsidy limitation. Until now it was the standard response to insist that any limit would be unacceptable, but now a $55,000 per crop limitation has been submitted to us for approval. It seems to me, however, that if the committee was persuaded in principle of the need for a limitation, it would have made it a meaningful limitation. Instead of affecting only 1,100 producers, the committee might have aimed at 11,000; instead of saving the American taxpayer a paltry $48 million, the committee could have saved $345 million.

I think the so-called "limitation" of $165,000 per person makes no fundamental change in direction in American agricultural legislation .Rather than take a manful step in correcting the most flagrant abuse of a program designed to help the family farm, the committee's "limitation" assures the American farmer of being shackled to the Federal dole for another 3 years.

Let me very briefly outline, Mr. Presi-

dent, exactly what the $20,000 limitation would accomplish: First, out of the nearly 2½ million subsidy recipients nationwide, about 11,000 would be affected, but these 11,000 constituting barely one-half of 1 percent, 0.5 percent, presently collect 14 percent of total subsidy payments, amounting in 1969 to $451 million. The amount over $20,000 alone was $350 million tax dollars. At the same time that gigantic payments are being doled to corporations, banks, State prison farms and the like, the averaeg recipient gets $1,450 per year, and fully one-third receive under $500 in subsidy payments.

Of the 11,000 affected, about half the cotton producers. Under my amendment 28 percent of cotton production would be affected; about 3 to 4 percent of the wheat production, and only about 2 percent of feed grain production would feel the effect of this reform.

Many have suggested that producers will be able to avoid the limitation by a practice called "farm splitting" whereby in order to get a larger payment, portions of the land are parceled out to members of a corporation, a family, or some similar arrangement.

Such a subterfuge is deliberately and specifically proscribed by the language of my amendment. It provides:

> The Secretary shall not permit the sale lease, or transfer of any acreage allotment for any farm if he determines that such action is intended primarily for the purpose of evading the limitation prescribed in this subsection.

The Agriculture Department has had ample experience administering programs with similar limitation and I have every confidence that officials will be able to do so under the broad authority granted by this amendment.

Here are a few things the amendment will not do: First, it affects only 3 programs; wheat, feed grains, and cotton.

Sugar is not included.

Wool is not included. Furthermore, the limitation is still quite high enough so that the programs covered will not be ruined by nonparticipation. Even though the amendment affects 28 percent of cotton production, it is still more profitable to produce cotton than any other cash commodity in the southeast part of the United States. For wheat and feed grains, production affected is so minimal as to be wholly insignificant in terms of national or even State production.

Some will suggest that this limitation deliberately discriminates against cotton producers, but I would hasten to point out a significant and critical difference between cotton on one hand and feed grain and wheat programs on the other: The system works for corn and wheat; it limits production. Cotton subsidies do not work, but instead only supplement incomes, and I suggest that incomes over $20,000 need no supplementing. For feed grains, 89 percent of the payments went for limitation of output in 1969. For wheat the figure was still above half, but for cotton, only 38 percent of the subsidy payments went to limit production. In 1970, experts predict that nearly all cotton payments will be for income supplementation with virtually no payments for production limitation.

Mr. President, where I grew up in Illinois, politicians or bureaucrats who used complicated words were either laughed off, or changed their language. Let me say right now that polysyllabic nonsense like "Income supplementation" means just one thing to me: Padding somebody's pocket. When the taxpayer does the padding, and the person getting the padding is Standard Oil of California, the Southern National Bank, or the Louisiana State Penitentiary—to the tune of tens of thousands of dollars, I think it is time to change our language, or be laughed right out of our seat.

Besides causing an incredible drain on the Federal Treasury, payments in excess of $20,000 per person accelerate an already fast-moving trend in American agriculture: The trend toward bigness. I think there can be no doubt that there are already too many independent forces encouraging heavy concentration in large farm corporations or agribusinesses: The high price of land and equipment requires immense capital outlay. Intense mechanization requires far greater acreage for full machinery utilization. Consistantly lower per cost prices for farm products necessitate bigger volume to support the producer.

All these forces are by their nature the consequence of the technological revolution in agriculture and are virtually beyond effective Government direction in a free economic society. One thing that is not beyond effective direction, however, is the amount we choose today to pay the individual recipient in Federal subsidies.

Mr. President, I will conclude these remarks with one more statement: Because I introduce today an amendment whose effect would be to take money away from the agricultural program as administered by the Federal Government does not in any way mean that I am against farmers, farming, or the agricultural way of life. Just the very opposite is the case. I have a deep concern for the present lot and the future prospects of the average farmer; first, of course, for the average Illinois producer of corn, livestock, beans, and wheat, but in a larger sense, for the Nation's agriculture as a whole. We may never be able to return to the Jeffersonian ideal of a republic of small farmers, but we can certainly do our best to keep the Government which we represent and on whose behalf we write laws, from encouraging bigness; encouraging corporate farms; monoliths whose interest in the outdoors is limited to a profit and loss sheet; whose head is a board of directors and whose heart is made of green rectangular pictures of deceased Presidents.

In the period between 1968 to 1969, there was a 30-percent increase in the number of producers getting more than $25,000 individually. Since 1966, the increase is a shocking 60 percent. At the current rate of increase of 20 percent per year, twice as many big operators will get big Government checks by the time this bill expires in 1974 than there were in 1966.

Enough, Mr. President, is too much.

EXHIBIT 1

[From the New York Times, Aug. 18, 1970]

In two working days last week the Agriculture Department mailed out $2.1 billion in checks to farms for complying with Government acreage allotments that limit the output of cotton, feed grains and wheat.

Total farm payments this year will amount to $3.5 billion. But even that huge sum does not represent the full cost to American consumers. By limiting supply, Government controls boost prices to consumers by an additional $4 billion or more.

The House of Representatives has taken a step so small as to be insignificant in setting a future limit of $55,000 on the subsidy payment that can be made to any one farm. At maximum, this limit would save $58 million of the $3.5 billion total. And even that estimate assumes that large farm owners will not split up their farms so they can collect the $55,000 ceiling several times. Such an end run by major growers could reduce the saving to microscopic dimensions.

However, the ceiling voted by the House will at least help to scale down the outrageously high payments, running in some cases to millions of dollars, now being made to a small number of huge farm operators. To that degree, it may signal a decline in the political power of wealthy farmers.

The drive to scale down farm subsidies must not stop at the House figure. The Senate, in another bill, already has indicated its approval for a $20,000 top limit. It would do well to write that figure into its version of the present measure, thus giving the House another chance to consider the question. What the nation needs more than continued payments to big farmers is a new program that will help to solve the income, employment and educational problems of the rural poor.

CUT FARM SUBSIDY HARVESTS

The Senate has taken long-needed action in voting to fix a $20,000 ceiling on individual farm subsidies. The question now is whether the House will follow suit.

There can be no doubt that a limit should be placed on the amount of federal money a farmer is eligible to receive for keeping crop land out of production.

Idle lands have reaped vast harvests of money for big farmers. Payments last year ranged up to $4 million for a single corporate farm for not growing crops.

This is an abuse of not only the farm subsidy program—which is most questionable to begin with—but of the millions of taxpayers who are supplying the dollars for the whopping payments to big landowners.

If approved by the House, it is estimated the subsidy curb would result in savings of possibly $400 million a year.

Although not an impressive slice in the subsidy program, now costing about $3.5 billion annually, it would be a move in the right direction toward cutting this agricultural giant down to size.

In years past the House or Senate, either one or the other, has voted for a lid on farm subsidy payments.

With the present strain on the national budget, the time is ripe for the two bodies of Congress to put their heads together and pass this tax-saving legislation.

END OF A BOONDOGGLE?

Two things may be said of the vote in the Senate to limit federal farm subsidies to $20,000 per farm annually. One is it represents a significant victory for Sen. Ralph T. Smith [R., Ill.] and others who contend that huge subsidies to a relatively few big farmers serve only to aid the wealthy while giving little more than a black eye to the

public image of vast numbers of small and medium size farmers.

The other is that the vote should be another warning to convince Secretary of Agriculture Hardin and those farm leaders who oppose subsidy limitations that they can no longer be assured that an urban-oriented Congress will keep refilling the public trough for this particular type of boondoggle. Of the 2.5 million farms which receive subsidies, probably no more than about 12,000 would be affected by the $20,000 limit, including various kinds of corporate giants, banks, oil companies, lumber yards, universities, and land owned by state governments.

As Sen. John J. Williams [R., Del.], cosponsor with Smith of the amendment to impose the subsidy limitation, remarked: "Those collecting the money aren't cultivating farms. They're cultivating the treasury of the United States."

This is the first time a farm subsidy limitation has been approved by the Senate, which in each of the last two years killed similar measures approved by the House. One of the leaders in the House for limiting subsidies is Rep. Paul Findley [R., Ill.], who failed a few weeks ago to win approval for a $20,000 limit largely because of a mixup in strategy among proponents. Findley is expected to join Smith and Williams in pushing for Senate-House conference agreement on the Senate measure as an amendment to the agriculture appropriations bill.

There is a good chance the conferees will approve, but even if they do not the Senate vote carries a message that should be pondered by Secretary Hardin and the nation's farm leaders. The door to the federal treasury is starting to close on those who think that more government funds, rather than sound farm legislation, will bail agriculture out of its economic problems.

[From the Chicago Daily News, July 9, 1970]

SENATE VOTES $20,000 CEILING

WASHINGTON.—The Senate, told that some farmers were cultivating the U.S. treasury rather than their fields, voted Wednesday to limit the amount of federal payments a farmer could collect in one year to $20,000.

Attached to a $7 billion agriculture appropriations bill for the fiscal year that began July 1, the ceiling would apply only for the 1971 crop year that the appropriation covers—if the House goes along.

Expert observers believe the House might not, even though it did approve a similar $20,000 ceiling in 1969. The House approved the same appropriations bill July 9 after rejecting efforts to write a payment ceiling into it.

There is no payment ceiling now on the three federal programs that account for most of the Agriculture Department's price support crop diversion payments. Those programs are for wheat, cotton and feed grains, which includes such things as corn and grain sorghum.

Figures from 1969 showed that five farms received federal payments from those crops totaling more than $1 million. All five were in California.

In addition, two big Hawaiian sugar companies received more than $1 million in payments under a separate federal sugar support program last year.

The provision approved by the Senate Wednesday on a 40 to 35 roll call vote specifically excluded sugar. The key language said:

". . . No funds appropriated by this act shall be used to formulate or carry out any price support program (other than for sugar) under which payments aggregating more than $20,000 under all such programs are made to any person on any crop planted in the fiscal year 1971."

Sugar generally has been omitted from proposed payment ceiling because it has its own sliding scale for limiting payments, although some critics claim it is very generous.

Sens. John J. Williams, R-Del., and Ralph T. Smith, R-Ill., co-sponsored the Senate limit amendment, arguing that many of the payments went not to the small family farms the programs were designed to help but to corporations, banks and big business.

"Those collecting the money aren't cultivating farms," Williams said. "They're cultivating the treasury of the United States."

But Sen. Spessard Holland, D-Fla., manager for the bill, argued against tacking the amendment onto the appropriations bill. The proper place, he said, was on a big farm program bill now bottled up in the House Agriculture Committee. Put the limit there, Holland said, and he would vote for it.

The question of whether to keep the payment ceiling in the final appropriations bill will be up to a conference committee representing both houses.

Rep. George H. Mahon, D-Tex., chairman of the House Appropriations Committee, said House conferees would seek elimination of the limitation and "I think chances are good the House will prevail."

NEW DRIVE TO CUT SUBSIDIES FOR GIANT FARMS

This may be the year when Congress votes an end to checks running into millions for some farm operators.

A ceiling on subsidy payments is being demanded by many Congressmen before they support a new farm program.

Pressure is growing in Congress to stem the flow of Government cash paid to big farm operators every year for not growing crops.

A ceiling of $20,000 on such payments has been voted by the Senate. And farm leaders in Congress concede that their colleagues from urban districts are not likely to approve a new plan for farm aid unless assured that large payments to individual farms will be curbed.

For years, there has been an outcry every time the U.S. Department of Agriculture announces its payouts to farms—some checks running in the millions of dollars.

These payments are made to farm operators who restrict plantings under programs designed to bolster farm income and prevent surplus crop production.

THE TOP PAYMENTS

The chart on page 55 lists the 25 farms that got the largest checks drawn on the U.S. Treasury in 1969 for participation in crop-control programs. These checks ranged from $4,370,657 down to $360,823.

All told, in 1969, 396 farm operators received Government checks for more than $100,000.

Congressmen leading the campaign to put a ceiling of $20,000 on payments say that this move would save taxpayers around 300 million dollars a year.

Total payments to farmers in 1969 came to 3.8 billion dollars. Most of this was paid under the cotton, wheat and feed-grain programs. There are also sizable payments to some sugar and wool producers. These commodities are not included in most limitation proposals, however, because the sugar and wool programs are self-financing through import taxes.

The great majority of farmers get considerably less in Government payments than the big operators. Of the 2,517,304 farmers who received Government checks in 1969, only 44,665 got amounts of $10,000 or more.

COTTON, WHEAT AND CORN

Virtually all of the farm operators receiving the 25 largest payments are in California and Arizona. In these States, farming is often on a large scale, with intensive cultivation of irrigated land that produces big yields of cotton.

In Kern County, Calif., alone, 27 farm operators received payments of more than $100,000 in 1969.

West Texas and the Mississippi Delta are other areas where cotton farming tends to be on a large scale. In Sunflower County, Miss., for example, seven farms got checks ranging from $100,854 to $184,630.

In Sherman County, one of the top wheat-producing counties of Kansas, the 20 largest checks to farmers ranged from a high of $61,696 down to $25,419.

In the corn belt, most Government checks to farmers are for considerably less than in the cotton and wheat regions. Iowa, in 1969, had only 118 farmers who got payments of more than $20,000, Illinois had 152, and Indiana 106.

Corn-belt farmers, in fact, are shown by some polls to favor a crackdown on big payments under federal farm plans. "Wallaces Farmer" magazine, in April, 1970, reported that 75 per cent of farm people questioned would like to see a limit of $20,000 or less.

CONGRESSIONAL ACTION

Some farm-State Congressmen have joined their urban colleagues in the drive to clamp a ceiling on federal checks to farmers.

Senator Ralph T. Smith (Rep.), of Illinois, on July 9 proposed an amendment to the agricultural appropriation bill to restrict payments to no more than $20,000 to any one farm. The Senate approved this amendment by a vote of 40 to 35.

Representative Paul Findley, a Republican who represents a central Illinois district with much farming, is urging his House colleagues to endorse the Senate action. Mr. Findley's district is one of 50 scattered across the U.S. that receive the largest amounts in federal farm payments. In a recent letter to Representatives of the 49 other districts, Mr. Findley said:

"As you know, big payments to farmers of substantial means—more than any other factor—have put farm programs in disrepute with almost all citizens, urban and rural alike."

A COMPROMISE PLAN

The drive to crack down on big payments comes at a time when the future of Government farm programs hangs in the balance. The plan now in effect runs out at the end of this year. The Nixon Administration and farm leaders in Congress are trying to hammer out a new plan that will be acceptable to members representing urban areas.

Representative W. R. Poage (Dem.), of Texas, chairman of the House Committee on Agriculture, has warned farm-State Congressmen that a payment limitation is inevitable.

Mr. Poage and Agriculture Secretary Clifford M. Hardin are urging that the ceiling on payments be put at $55,000 per farm. They hold that dropping it down to $20,000 would seriously undermine crop-control plans because big farms would no longer limit production and the result would be a build-up of surplus farm products.

The Hardin-Poage strategy is reported to be a move to get the Senate and the House to accept the new farm bill with a limit of $55,000 on payments. This would avoid a showdown vote in the House on the $20,000 limit approved by the Senate.

Congressmen pressing for a payment limitation point out that the ceiling of $55,000 proposed by Secretary Hardin and Mr. Poage would apply on a percrop basis. In other words, farms growing cotton, wheat and feed-grains could get this much on each crop, or a total of $165,000. In few areas, however, would farms be able to grow all three crops.

FUTURE AT STAKE?

Representative Findley holds that a limit on payments is essential to preservation of the family farm. In his view:

"It is big Government checks that enable

these corporation-type farms to keep expanding."

A gradual lowering of the payment ceiling is advocated by some farm economists to prevent severe dislocations in areas where big farms predominate.

In California, for example, one of the nation's largest cotton growers is experimenting with tomato production—5,000 acres at a crack—in case a cut in payments makes it less profitable for him to grow cotton. Says one California tomato grower:

"If the big cotton producers shift to tomatoes, they will blow the rest of us right out of the water."

A cotton grower in the Mississippi Delta wonders what will happen to the 40 families to which he gives employment and housing if his 5,000-acre holdings are broken up.

"IT ISN'T PURE GRAVY"

E. L. Hatcher, president of the National Association of Wheat Growers who farms at Lamar, Colo., says:

"A lot of people think a Government check is pure gravy for the farmer, but it isn't. When you idle land you have to keep it cultivated, your taxes and other expenses go on, so does the rent if you are leasing land."

In Washington, some observers say the fight over limiting payments to farmers might end with Congress's failing to pass the new farm bill. That is discounted by others who say that, with 1970 elections coming up, neither Democrats nor Republicans want to be blamed for not approving the farm bill. But it is generally agreed that any new farm plan is going to include a ceiling on Government payments to farmers.

[From the Christian Science Monitor, July 14, 1970]

HUNGER IN WORLD, BUT—FARMERS FIGHT FOR UNGROWN-CROP SUBSIDIES

(By Richard L. Strout)

WASHINGTON.—Though much of the world goes hungry, not growing crops is one of the more lucrative occupations in America.

The more crops some big farm corporations don't grow the more the government pays them.

With $250 million at stake for big farm corporations, they are expected to make a desperate effort in Senate-House conference to throw out a $20,000 limitation on such subsidies just voted by the Senate.

The Nixon administration has decided to support a $55,000 farm-subsidy limitation instead of $20,000. Previously it took no position.

The $20,000 limitation has been bandied about for years. Unlimited subsidies are attacked by critics as upside-down economics that aid the rich at the expense of the poor and expand "farm factories" to the detriment of family-size farms which the program is supposed to aid.

HOUSE MOVE REJECTED

Now, unexpectedly, the Senate voted 40 to 35 for the $20,000 limit as an amendment to the pending farm appropriation. The House voted for the ceiling two years ago, but that doesn't mean it will pass.

Consumer pressure is rising, and proponents say the measure will save taxpayers $300 million or more. The Senate passed the amended $8 billion appropriation, 73 to 6.

But the House move in 1968 was rejected by Senate leaders in conference. Now it is expected to go back to conference a second time for what could be a ferocious battle.

One senator who voted against the $20,000 limitation July 8 was James O. Eastland (D) of Mississippi. In 1969 Eastland Plantation, Inc., of Sunflower County, Inc., received $157,930 under the farm-subsidy program. He did not participate in the debate.

Sen. Ralph T. Smith (R) of Illinois, who said Midwest corn growers overwhelmingly back the limitation, says the cutoff would save "$350 to $400 million annually."

Relatively few farmers received more than $20,000, but a few large agricultural corporations get big amounts.

PRICES SUPPORTED

In 1969 eight subsidy payments were in excess of $1 million. Total recipients in 1969 were $2,525,800, and the average farmer got $1,463. A third of subsidy recipients (1.1 million) get less than $500.

The program was instituted after the depression to supoprt prices and equalize production.

In 1968 Undersecretary of Agriculture John A. Schnittker concluded after a survey that a $20,000 subsidy limit would not have the dire effects which lobbyists forecast, and that it could be instituted "without serious adverse effects."

In 1969 acreage diversion and price-support subsidies cost taxpayers the following on three main crops:

Cotton	$828,000,000
Feed grains	1,643,000,000
Wheat	857,000,000
Total	3,328,000,000

Sen. John J. Williams (R) of Delaware told the Senate seven big farm corporations receive $1 million each for not growing crops. Fourteen companies get subsidies of $500,000 to $1 million. Six banks are classified as "farmers," he said, and receive from $27,000 to $224,000 "not to cultivate their farmland."

PENITENTIARY COLLECTS

In Louisiana, the state penitentiary at Angola is listed as a 'farmer" under the meaning of the act and collected $85,219 in 1969 for not growing crops on certain acreage.

Senators expressed sympathy for small farmers: "The average farmer gets only about $100 a month," Mr. Smith said, "for deliberately leaving idle his most valuable asset, his land; and more than a third got no more than a dollar a day." On the other hand, the Standard Oil Company, Oildale, Calif., collected $127,995.

Several state penitentiaries get substantial subsidies. This led Senator Williams into a philosophical inquiry. Suppose one of these penitentiaries became subject to criminal penalties under the law, he said. Suppose it violated the law and was convicted? he asked.

"Mr. President," he demanded, "how could you put a penitentiary into the penitentiary for violating the law?"

[From the Chicago Daily News, July 9, 1970]

SENATE VOTES SHARP CUT IN FARM SUBSIDIES

(By William McGaffin)

WASHINGTON.—The day of huge farm subsidy payments may be about to end. Scores of Illinois farmers would be affected.

The Senate unexpectedly voted Wednesday to limit the amount of federal subsidy a farmer may collect for the year.

Two Republican senators, Ralph T. Smith of Illinois and John L. Williams of Delaware, sponsored the proposal, which was approved on a 40-to-35 rollcall vote.

Their proposal, offered as an amendment to a $7 billion agriculture appropriation bill, was considered to have a chance in the House.

In each of the last two years, a similar proposal passed the House only to be killed in the Senate. Last year, the House approved it, 224 to 140.

Nobody knows better than Williams that the problem has rested with the Senate. He remarked after Wednesday's vote that he had been trying to get the Senate to agree to this for 15 years.

The two congressmen who have led the drive in the House are Republicans Paul Findley of Illinois and Silvio Conte of Massachusetts.

If the proposal becomes law, it means that Sen. James O. Eastland (D-Miss.) can no longer collect $146,792 in a single year, as he did in 1969, in farm subsidy payments to his plantation at Doddsville, Miss.

Nor will the Meadow Lark Farms in Fulton County, Illinois, be paid $118,973 as they were in 1969.

Meadow Lark Farms, headquartered in Sullivan, Ind., holds more than 12,000 acres of Fulton County farmland. A subsidiary of the gigantic American Metal Climax (AMAX) Corp. of New York, Meadow Lark also has extensive farm holdings in other Illinois counties, Indiana and other states, according to a company source.

Under the current law there is no dollar limit on the amount of federal cash a farmer may receive for not planting crops and subsidies ranging to more than $1 million a year have been paid to large landowners and corporate farms.

Last year in Illinois, for example 152 farms received more than $20,000 each. These huge payments have helped run the cost of the farm subsidy program to more than $3 billion a year.

Smith estimates that if the proposal becomes law, it will save the taxpayers $200 million to $300 million a year.

Smith told the Senate he had decided to get into the fight after sending a letter to 200,000 Illinois farmers asking their opinion on whether to limit the subsidies. He said that the response was overwhelmingly in favor of his proposal. In fact, he added, many who wrote urged the government to get out of farming altogether.

A conference of Senate and House representatives will be convened to reconcile the Senate version of the agriculture appropriation bill containing the Smith-Williams amendment and the House version that does not have it.

An aide to Findley said he thought the congressman probably would offer a motion in the House to instruct the House conferees to accept the Senate amendment. If he does, and it passes the House, the conference approval will automatically follow.

The subsidy limitation would last for one year—fiscal 1971—which is the period the appropriation bill covers. Its acceptance, however, could prepare the way for adoption of a longer limitation.

[From Human Events, Aug. 8, 1970]

BETTER FARM POLICY NEEDED: "NEW LOOK" PROMISED IN 1968, BUT NONE HAS EMERGED

In October 1969, when he was campaigning for the presidency, candidate Richard Nixon was quoted in a farm magazine as saying: "The 1965 farm act is a patchwork of old laws and can be improved—and it should be. It is not good enough for the future."

About the same time, in a campaign speech, Mr. Nixon called for a "new look" in farm programs, asserting he was disturbed over the fact that the nation's farmers had to depend on federal subsidies for a fifth of their net income.

"Those who control the purse strings control the power," he said, "and the new programs that are designed should insure a fair return while reducing this dangerous level of dependency on an arbitrary political power."

Now the Nixon Administration has given its blessing and strong support to new legislation, approved by the House Agriculture Committee, which essentially is little more than a three-year extension of the very same patchwork of old laws the President criticized less than two years ago.

Not only that, but Secretary of Agriculture Clifford M. Hardin has made it quite clear that the Administration insists on continuing present levels of farm subsidies at $3.7 billion annually. Apparently, now that it has gained the White House, the Administration no longer cares if farmers have to depend on arbitrary political power.

Hardin did finally agree reluctantly to go along with the House committee on a subsidy ceiling of $55,000 for each of three major crops. But that would save taxpayers no more than $58 million. The secretary is adamantly opposed to the $20,000 ceiling per farm which the Senate approved as an amendment sponsored by Sen. Ralph T. Smith (R.-Ill.) and which would save more than $300 million.

Hardin's excuse that the bookkeeping required to impose a $20,000 limit would be too burdensome is nonsense. A $20,000 limit would apply to only about 12,000 of the 2.5 million farms which get subsidies. Sen. Smith hit the target when he described the proposed $55,000 ceiling as a "sham and a fraud," and a slap in the face to the taxpayers.

The dispute over the subsidy ceilings, however, should not be allowed to obscure the fact that the Administration has not lived up to its promises to support sounder legislation for agriculture. Neither the Administration nor the House committee gave serious consideration to any legislation designed to phase out subsidies and crop controls, such as that advocated by the nation's biggest farm organization, the American Farm Bureau Federation.

Congress now has an opportunity to correct this oversight by junking the House committee's bill and coming up with something better. Mr. Nixon was right the first time. What is being proposed is not good enough for the future.

[From the Chicago Tribune, Nov. 24, 1969]

U.S. FARM AID HELPS RICH GROW RICHER

WASHINGTON, Nov. 23.—America's farm programs are a multibillion dollar complex of subsidies, some of which undermine others, and all of which give little help to the small farmer.

One official view, as expressed by Secretary of Agriculture Orville L. Freeman, is to the contrary. "Today," he says, "'we have a wide range of programs aimed at underpinning and strengthening America's family agriculture."

But the President's National Advisory Commission on Rural Poverty has disagreed. In a report entitled "The People Left Behind," the commission said: "It is clear that the price support and related programs do very little for the rural farm poor and nothing, directly, for the rural nonfarm poor."

FARMERS INTERVIEWED

Interviews with farmers from Mississippi to California found none who agreed with Freeman that the programs' aim is to strengthen family agriculture.

"Talk of the 'family farm' is a nostalgic longing for the past; It does not reflect reality," said Thomas K. Greer, general counsel for Salyer Land company, a 60,000-acre family-owned farm in California.

"No one in his right mind could justify the payments the farmer is getting along with the market price," said Richard Shaw, a Mississippi cotton grower. "But I haven't heard of anyone sending a check back."

An examination of the agriculture department's various farm programs showed:

Farmers received more than one billion dollars this year for holding land out of production, including one payment of $4,091,818 to a single corporate farm, J. G. Boswell company of Kings county, California.

Farmers collected millions of dollars from various programs to help them increase production on the land they did plant.

[Altogether, farmers will collect 3.4 billion dollars in direct federal subsidies under various programs this year.]

That as a result, farm production continued to increase faster than the market could absorb it, thus forcing the government to lay out another one billion dollars to support crop prices.

Wealthy Americans are going into farming in a big way, but the suspicion persists, especially among some members of Congress, that the rich are more interested in cultivating tax breaks than crops.

CATTLE TAX BREAKS

Sen. Lee Metcalf [D., Mont.], cited an internal revenue service study that said 119 individuals with incomes of more than one million dollars in 1965 had farm operations, and 104 of them reported losing money at farming.

Cattle breeding, especially, has tax advantages that have led to a new business— companies that specialize in setting up wealthy people as owners of cattle herds. Expenses are deducted from gross income. Profits from later sale of calves are taxed at the lower capital gains rate.

But it is the direct subsidies, the huge farm payments, that bother the congressmen, beset as they are with demands for more money for troubled cities.

Cotton is king on Capitol hill, primarily because southerners dominate the agriculture committees of both Senate and House. It was for taking land out of cotton production that the Boswell company collected more more than 4 million dollars.

A more prominent recipient was Sen. James O. Eastland of Mississippi, a ranking Democrat on the Senate agriculture committee. The senator and members of his family got $211,364 for retiring land from production.

REJECTED BY SENATE

In an attempt to stop such large outlays, the House passed a bill to limit payments to $20,000 to any one farm. But Senate conferees refused to accept it.

Contrasted to this was Congress' acceptance of a little noticed amendment to the 1965 farm bill which will pay cotton growers a bonus of up to 150 million dollars in price support payments this year.

Introduced by Sen. Allen J. Ellender (D., La.), chairman of the Senate agriculture committee, the amendment took away the Secretary of Agriculture's authority to lower the price support payment on cotton.

Farmers and economists say present market conditions call for price support payments of 9 cents a pound. The Ellender amendment forces the government to pay 12.24 cents a pound.

Where do all the billions in farm payments go?

WHERE MONEY GOES

The President's commission on rural poverty, using cotton as an example, but citing similar figures for rice, wheat, feed grains, and sugar, put it this way:

"The 10 per cent of cotton producers with the smallest payments receive less than one per cent of cotton program benefits; the 10 per cent of producers with the largest payments receive more than half of these benefits; and the top one percent of producers in size of payments receive 21 per cent of the benefits."

Freeman dislikes the word subsidy, especially as applied to payments for holding land out of production.

"They amount to rental payments. . . . It is not in the national interest to produce so much cotton and wheat and corn. And the government says that "for one year we will rent so much of your land if you do not plant it.' "

BILLION IS PAID OUT

Call it rent or subsidy, $1,114,617,466 went to 91,887 farms that received payments of $5,000 or more in 1967.

But most of the nation's 3 million farmers received a lot less than $5,000. The average payment per farm in 1967 was $978.

And rent or national interest aside, farm production is rising despite the money spent to discourage planting.

Last Oct. 1, the department of agriculture predicted the 1968 wheat crop would be a record 1.6 billion bushels, 30 per cent above the average for the five years, 1962 to 1966.

Production forecast for other crops was corn, 4.6 billion bushels, 20 per cent above average; soybeans 40 per cent above average; oats, 3 per cent; hay, 2 per cent; fall potatoes, 4 per cent; and grain sorghum, 33 per cent.

PAYMENTS FOR COTTON

When the program of direct payments to farmers for price support and land diversion was passed in 1965, there was a 16.6 million bale surplus of cotton. The land diversion program plus two years of disastrous weather reduced the surplus to 6.5 million bales.

To reduce that surplus by 10 million bales cost the government 1.7 billion dollars or about $170 a bale.

The agriculture department tries to help the small farmer—the one with cotton allotment of 19 acres or less—by permitting him to plant his entire allotment and still collect the diversion payment. But these payments average only $114.80 to each small farm.

In Ford county, Kans., farmers expressed amazement that one ranch in California received a 4 million dollar payment from the federal government. All the wheat and feed grain farmers in Ford county received a total of 3.4 million dollars.

These have been drouth years in western Kansas, and the price of wheat is down because of bumper crops in other areas.

In July 1967, a committee of farmers, economists, labor leaders, and retailers called the National Advisory Commission on Food and Fiber looked on farm programs and recommended some changes.

"Acreage allotment programs for supply management tend to be self-defeating so long as they contain incentives for farmers to increase yields," said the commission.

The report recommended that production quotas be set in quantities rather than yields.

URGE REASONABLE NET

On the issue of direct payments, the commission recommended that payments be geared more to giving farmers a reasonable net income, rather than to boost the price of each unit produced.

Some commission members backed a proposal for variable payments on a scale giving smaller amounts as the production goes up.

The commission report was published in a 361 page volume complete with charts, graphs, and tables, and then forgotten.

Not one of its recommendations was included in the farm bill passed near the end of the last session of Congress.

Mr. SMITH of Illinois. I yield 3 minutes to the distinguished Senator from Delaware (Mr. WILLIAMS).

Mr. WILLIAMS of Delaware. Mr. President, I am glad to join the Senator from Illinois as a cosponsor of this amendment, which earlier this year was approved by the Senate and which I hope will be approved again as a part of this bill.

For many years I have been critical of the fact that the large corporate farmers have been getting a large share of the subsidies and have pointed out on many occasions that these large payments of subsidies do not benefit the small farmer because he cannot take advantage of them with his small farm. He has to have a certain minimum amount of equipment, tractors, combines, and so forth, to the point that he cannot efficiently operate his farm and put a part of it under the Soil Bank. In my opinion, if this program is to be con-

tinued at all, these payments should be limited to not exceeding $20,000.

On March 24 of this year I placed in the RECORD a long list of names of individuals and companies who had received in excess of $60,000. They appear in the RECORD as of that date, and I shall not ask to have them printed again. That report showed that one company had received $4,370,657 subsidy payments. A second company received $3,412,867.

Seven companies last year were paid in excess of $1 million each. Fourteen other companies were paid between a half million dollars and $1 million each. Fifty-four companies or individuals were paid between $250,000 and $500,000 each. These were not small farmers. Six banks on this list received from $27,445 up to $224,254. There were two penal institutions, State penitentiaries, on this list. One of the large oil companies was paid $127,995 not to farm.

I ask unanimous consent to have the list of these largest payments printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

One company, J. G. Bosnell Co., of California, received $4,370,657.

Griffen Inc. of California, received $3,412,867.

Seven companies received in excess of $1 million each.

Fourteen companies were paid between $500,000 and $1 million each.

Fifty-four companies were paid between $250,000 and one-half million dollars each. These are not small farmers.

The Southern National Bank of Lumberton, N.C., was paid $224,254.

The First National Bank of East North Carolina at Dunn, North Carolina, was paid $69,943.

The First National Bank of Dumas, Texas, was paid $69,415.

The Waccamaw Bank & Trust Company, Lumberton, North Carolina, was paid $58,134.

First National Bank & Trust Company, Wichita Falls, Texas, received $34,686.

The Wilbur Security Co., Wilbur, Wash., was paid $27,445.

The Standard Oil Company, Oildale, California, was paid $127,995.

The Arizona State Penal Farm, Grady, Ariz., was paid $148,628.

The Louisiana State Penitentiary, Angola, La., was paid $85,219.

Mr. WILLIAMS of Delaware. Mr. President, there can be no reason under which these banks or the oil company or the penitentiaries could qualify as small farmers. It is utterly ridiculous to continue these payments to the large corporate-type operator, and Congress should accept this opportunity to correct this inequity in our law. By doing so we can save a much needed $350 million. I hope the amendment will be adopted.

Mr. PERCY. Mr. President, will the Senator yield me 3 minutes?

Mr. SMITH of Illinois. I yield 3 minutes to the Senator.

Mr. PERCY. Mr. President, I rise in support of this amendment which I cosponsor.

I commend my distinguished and valued colleague from Illinois for his initiative in this area. I commend the distinguished senior Senator from Delaware, who is the watchdog of the Treasury, and who is always protecting the taxpayer as well as the consumers' interests.

I also pay tribute to my colleague in the House, Representative PAUL FINDLEY, who has taken comparable action in the House of Representatives and who for many years has led this fight to reduce our subsidies and wean ourselves away gradually from this support program.

One of the problems that I think the American consumer has is to try to make sense out of very large Government subsidies being paid to farmers not to produce food when we have a great deal of hunger in the country and a shortage of funds to provide food for hungry Americans. We are failing to meet the needs of the hungry; yet, year after year we continue to pay these excessively large farm payments.

For the most part, in the State of Illinois, a State of 11 million people, with several hundred thousand farmers, here is an issue on which farmers and consumers are united almost unanimously. There is a consensus that we simply must wean ourselves away from these excessive payments.

By imposing this $20,000 limitation, we can save $345 million in fiscal 1971, according to the figures that have been given to me. With a predicted deficit of several billion dollars in fiscal 1971, this would be a responsible way to save the Federal Government money.

So far as the marketplace is concerned, it is the supported crops that are in trouble. Nonsupported crops respond to the market and are healthy. Well over a hundred crops trade in the free market and are healthy. It is the ones that for some 30 years we have tried to prop up that constantly seem to be in trouble.

Another reason to adopt the payments limitation amendment before the Senate is that these large payments put small farmers at a disadvantage. Small farmers cannot afford to have idle acreage in order to take advantage of these payment programs. What these programs really do is to subsidize large farmers and perpetuate the trend toward driving small farmers off the land, leaving agriculture in the hands of ever-larger producers.

For these reasons, I support the $20,000 payments limitation. The Senate, by a vote of 40 to 35 on the 1971 agricultural appropriation bill, supported the very same amendment, and I trust that the Senate will adopt it this evening.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. I yield myself 5 minutes.

As I have often pointed out, so far as I personally am concerned, I have fought for effective farm legislation, and that required that producers be compensated if they agreed to cooperate in the programs. This year, in order to obtain a farm bill, I went along with the $55,000 limitation that is provided in the House bill.

What made the past farm program work as it did was the fact that the Secretary of Agriculture had the power, under the law, to declare how many acres would be planted in order to produce a sufficient amount for export as well as our own use. That situation obtained with respect to cotton and other of the various crops we are supporting.

The concept of price supports comes about as the best way to attain a reduction of the amount produced, by a reduction in acres planted. Whether those acres come from a large farmer or a small farmer makes no difference in light of what we are trying to do. The objective is the annual production of the amount of cotton, the amount of corn, and the amount of wheat we can consume domestically, plus export needs, with a little carryover.

This program has been very effective, as I pointed out in my speech yesterday evening. If we should adopt the pending amendment, it would in effect destroy this program. If the $20,000 limitation is in effect, it will mean that many of the large producers who are efficient farmers will remain out of the program. The probability is that they will go into production of more corn—that is a voluntary program—and they might go into the production of other commodities that are not under the program. That would greatly increase our surplus supplies, and harm the entire economy. By allowing the Secretary of Agriculture the authority to designate the number of acres necessary to produce certain of our commodities, this program has been very successful.

It is true that the cost has been very high. I wish to place in the RECORD at this point some of the costs. But the costs I am referring to now are a pittance compared with what the costs to the consumer would have been had we not had an abundance of food on hand.

As I pointed out earlier today, the corn and feed program from 1961 has cost the taxpayers $14,052,300,000. That is a large amount. The cost for wheat for the same period was $13,274,000,000. That was in order to reduce the huge surpluses that had accumulated under former programs. Today, we have surpluses, or a carry-over, about in line with our requirements.

Take, for instance, cotton. In 1965 we had 14 million bales of cotton, when our requirement for normal carryover was only about 7 to 8 million bales. The bill presented to the Senate in 1965 was intended to work off that surplus, and that goal was accomplished in 3 years instead of 4—the whole length of the bill. The same thing took place with respect to the huge amount of feed grains we had on hand. As I said earlier, the amount of feed on hand over and above our requirements was over 15 million tons. In order to work that off it cost the taxpayers the amount that I have just suggested.

Mr. ELLENDER subsequently said: Mr. President, some time ago during the debate I referred to several tables to be placed in the RECORD to show the entire cost of our farm programs since the inception. It is to be noted that there are three columns on this table, one indicating the cost through June 30, 1961, another column indicating the cost through June 30, 1970, and the other presenting the entire cost.

I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PROGRAM RESULTS, OCT. 17, 1933, TO JUNE 30, 1961, AND OCT. 17, 1933, TO JUNE 30, 1970, AND INCREASE SINCE JUNE 30, 1961

[In millions of dollars]

Program	Oct. 17, 1933 through June 30, 1961	Oct. 17, 1933 through June 30, 1970	Cost and losses incurred since July 1, 1961
Corn and feed grains:			
Price support costs [1]	2,928.9	5,347.8	2,418.9
Public Law 480	628.7	1,798.7	1,161.0
Direct payments	333.3	10,178.4	9,845.1
CCC credit sales		627.3	627.3
Total	3,890.9	17,943.2	14,052.3
Wheat:			
Price support costs [1]	2,251.9	4,118.3	1,866.4
Public Law 480	4,391.6	13,389.5	8,997.9
Direct payments		1,818.3	1,818.3
CCC credit sales		335.5	335.5
International wheat agreement	1,218.7	1,474.7	256.0
Total	7,862.2	21,136.3	13,274.1
Cotton, upland:			
Price support costs [1]	1,502.2	3,179.6	1,677.4
Public Law 480	1,087.2	2,439.2	1,352.0
Direct payments		4,274.8	4,274.8
CCC credit sales		264.4	264.4
Total	2,589.4	10,158.0	7,568.6
Dairy products:			
Price support costs [1]	2,480.6	4,967.8	2,487.2
Public Law 480	171.6	741.5	569.9
CCC credit sales		1.6	1.6
Total	2,652.2	5,710.9	3,058.7
Oils and oilseeds:			
Price support costs [1]	539.1	987.6	448.5
Public Law 480 [2]	578.6	1,398.5	819.9
CCC credit sales		5.7	5.7
Total	1,117.7	2,391.8	1,274.1
Rice:			
Price support costs [1]	219.5	549.3	329.8
Public Law 480	551.8	1,710.8	1,159.0
CCC credit sales		52.0	52.0
Total	771.3	2,312.1	1,540.8
Tobacco:			
Price support costs [1]	5.7	177.7	172.0
Public Law 480	214.4	443.7	229.3
CCC credit sales		101.1	101.1
Total	220.1	722.5	502.4
Potatoes:			
Price support costs [1]	478.6	478.6	
Public Law 480	1.8	2.5	.7
Total	480.4	481.1	.7
Wool:			
Price support costs [1]	116.0	116.0	
Direct payments	324.6	724.3	399.7
Total	440.6	840.3	399.7
All other commodities:			
Price support costs [1]	29.6	261.4	231.8
Public Law 480	127.1	453.5	326.4
CCC credit sales		30.0	30.0
Total	156.7	744.9	588.2
Total, all commodities	20,181.4	62,441.1	42,259.7
Other costs:			
Strategic and critical materials	1,008.9	1,475.4	466.5
Offshore procurement premiums		25.9	25.9
Other		3.6	3.6
Ocean transportation on commodities donated through voluntary agencies	125.5	521.8	396.3
Storage facilities	12.5	13.0	.5
Research expense		42.1	42.1
Accounts and notes receivable	12.7	21.6	8.9
Purchases of foreign currencies for use in self-help activities		4.9	4.9
Interest expense	2,170.0	5,269.3	3,099.3
Operating expense	552.9	1,133.8	580.9
Disease eradication	218.8	218.8	
Wartime consumer subsidy	2,102.3	2,102.3	
Total, other costs and losses	6,203.6	10,832.5	4,628.9
Recoveries of costs		3,645.4	3,645.4
Total, all costs	26,385.0	69,628.2	43,243.2

[1] Price support costs include price support losses, export subsidies, and other related costs reimbursed CCC through appropriations to restore capital impairment.

[2] Includes vegetable oil products.

Source: CCC financial statements. All data subject to minor adjustment due to rounding.

Mr. ELLENDER. Mr. President, I have figures before me indicating the amount of payments that were made to producers of cotton, feed grains, and wheat in selected States for the period 1965 through 1969. In 1965 the total amount of payments for all States was $1,985,822,000. Over one-half of that went to these seven States. In 1969 the total amount for distribution among all States was $3,328,941,000, and almost one-half of that went to these Midwestern States.

I ask unanimous consent that this table may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AYMENT PS TO PRODUCERS OF COTTON, FEED GRAINS, AND WHEAT IN SELECTED STATES, 1965-69

[In thousands]

State	1965	1966	1967	1969	1968
Illinois	130,782	94,060	85,117	148,024	184,660
Iowa	218,423	195,642	127,111	230,346	247,577
Kansas	188,615	64,842	192,656	209,370	222,522
Minnesota	114,119	105,236	73,388	115,287	154,881
Missouri	105,437	105,715	98,128	122,811	142,488
Nebraska	171,019	118,748	116,290	166,616	186,925
Texas	151,399	355,587	403,433	401,627	448,448
Total of States	1,079,794	1,039,830	1,096,123	1,394,081	1,587,501
Total, all States	1,985,822	2,093,498	2,528,036	2,899,960	3,328,941

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I strongly oppose the amendment because I think its defeat is critical to adoption of the farm bill this year.

I call the attention of the Senate to the fact that the principal point that made trouble with reference to the 1965 farm bill was the excessive payments paid to a few people, some going up to $3 million and $4 million. I call attention to the fact, then, that under the amendment, those excessive payments are not only done away with, but the $55,000 limitation per commodity means that the largest payment that could be made to anyone would be $165,000. I am told that is applicable only to three people. There are very few people to whom the $110,000 could be made, and as to most, $55,000 would be the highest payment possible. The excesses that took place under the 1965 bill which existed, in spite of the good values that came out of it, largely had to do with these huge payments. This action would do away with those excesses.

The second point I make is that the reduction in payments was a reduction of 50 percent of the amount first suggested and strongly recommended by the Department of Agriculture. Members of the committee will recall that the first time the Secretary appeared this year on a farm bill, he strongly recommended $110,000 as the amount for each com-

modity which would be the limit. The House has worked out this $55,000 figure and that is a reduction by 50 percent of the strong recommendation of the Secretary of Agriculture and of the administration.

The third point I call attention to is that there was grave difficulty in the House in passing this provision, even with this figure in it. I do not recall the figures, but when the effort was made in the House to substitute a smaller limitation for the $55,000, there was grave difficulty in rejecting that amendment. The Senator from Louisiana will recall that shortly after the action of the House, we were called upon by the leadership, from the House Agriculture Committee and others, to see to it that it was absolutely imperative we not make a change in this particular section of the bill if we expected to gain approval of the House and to have a bill. Because I feel that is critical to approval of a bill this year, I feel so strongly about the rejection of the amendment.

The fourth point I make is that the effect of the amendment will be to divert much acreage to non-price-supported commodities and just make trouble for farmers who are controlling their own production so as to meet market demands. I am thinking about vegetables. I am thinking about soybeans. There are other crops which I could mention which would be adversely affected.

I want to say to my good friend from North Dakota, whom I see in the Chamber, that while $20,000 will meet most of the needs of the wheat-producing people, when we figure their needs for both wheat production and feed grain production—they would both come together—under the $20,000 limitation, I think severe damage would be done to the people in the great areas including his own State, where both wheat and feed grains are produced.

Mr. President, I strongly oppose the amendment because I think it is the most critical need we have got in this whole debate; namely, to stand by this particular provision in the House bill, for the reasons I have indicated.

Mr. CRANSTON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from California.

The PRESIDING OFFICER (Mr. MUSKIE). The Senator from California is recoginzed for 5 minutes.

Mr. CRANSTON. Mr. President, I rise to speak in opposition to the proposed amendment to the pending farm legislation, H.R. 18546, which would lower the limitation on direct payments from $55,000 to $20,000 per crop. California is the No. 1 agricultural State in the Union. This amendment would utterly disrupt agriculture in California—not only in cotton but in many other crops. I have found that many of my "liberal" and "conservative" constituents alike do not understand why I oppose the $20,000 limit on farm subsidies and support the higher $55,000 limit proposed in the committee bill. I want to explain to my distinguished colleagues why I take this position and to urge them to join me in opposition to the floor amendment lowering the payment limitation to $20,000.

California's interest in this far surpasses Cotton Belt States—if the limit is fixed at $55,000, farmers in my State will lose about $24,800,000—50 percent of the $51.8 million involved. The USDA estimates that in cotton, 949 payees will be affected by the $55,000 limitation, and 247 of these farm in the State of California. I will nonetheless support the $55,000 per crop limit, but I oppose the $20,000 limit.

No one in California is being paid for not growing cotton this year, and no one was paid for not growing cotton last year.

Cotton is the principal subsidized crop in California. It costs considerably more to produce cotton—34 to 35 cents per pound according to USDA national averages—than cotton brings on the market—22 to 23 cents per pound. The subsidy is paid like the merchant marine subsidy, to maintain the industry. Thus, the payment keeps the cotton grower in business.

Generally, a limitation on payments is really a limitation on the number of acres a grower can plant in cotton.

The $20,000 limit would bankrupt many California farmers who do not grow any cotton at all. At the present time, there are about $40 million worth of farms in the cotton-producing San Joaquin Valley in bankruptcy proceedings. Obviously, any limitation on payments would add to this figure. A limitation on payments would force many acres of land now planted in cotton into other crops or onto the land market, depressing land and crop prices significantly for small farmers as well as large.

I wish to emphasize at this point that the cotton industry includes much more than the cotton growers. It also includes hundreds of thousands of people employed on the farms, in the cotton gins, oil mills, warehouses, trucks, railroads, farm implement maufacturing plants, insecticide and chemical companies, and the textile industry. It also includes small town merchants, implement dealers, and others who supply the cotton farmers with hundreds of millions of dollars of goods and services each year.

I am not opposed to reasonable limitations on payments, and my remarks should not in any way be interpreted to mean that I favor the continuation of paying exorbitant sums to wealthy corporate farmers. Under the present farm program and under the proposed committee bill, however, I am convinced that a strict $20,000 limit would cause economic chaos in agriculture.

I believe that any reasonable limitation on payments should be aimed at those receiving huge payments and who grow thousands of acres of cotton. This is not accompilshed by the difference between the $55,000 proposed in the committee bill and the $20,000 limit. On the contrary, while comparatively a $20,000 limit would save the Government and the taxpayer some money in direct expenditures, it would also have some disastrous and unforeseen results, which may prove far more costly in the long run.

Let me illustrate. Assuming that a grower plants cotton on his entire acreage allotment, at 16¼ cents per pound of cotton, a farmer receiving a $55,000 payment will have a planting of only 520 acres, while a farmer receiving a payment of $20,000 will have a planting of 200 acres. It is obvious that we are not talking about the difference between large and small farms, but between two family-sized farms. A $55,000 limitation is quite adequate to limit the payment of large subsidies to those large corporate farmers, who farm from 10,000 to literally hundreds of thousands of acres. A $55,000 limitation, as I said before, is, in cotton, a payment for only 520 acres.

Furthermore, for the benefit of those not familiar with the nature of farming in California, I want to clarify that 520 acres is a family-sized farm. A 520-acre cotton farm has a capital investment equal to a 160-acre citrus grove or a 320-acre vineyard. These are small operations in California.

If a $55,000 limit would affect those with cotton plantings over 520 acres, and if the $20,000 limit would affect those with cotton plantings over 200 acres, is there a significant advantage to the $20,000 limit? It would save the Government the difference between $55,000 and $20,000. But, in my opinion, its disadvantages far outweight the advantage of this savings.

First of all, a $20,000 limit would not accomplish the purpose espoused by its proponents—namely, to eliminate the payment of large subsidies to large corporate farmers. This goal is accomplished quite adequately by the $55,000 limit.

Second, a $20,000 limitation would force the diversion of all plantings over 200 acres into other crops, including non-supported crops such as grapes, nuts, tree fruits, cling and freestone peaches, plums, nectarines, apricots, berries, carrots, asparagus, tomatoes, cantaloupes, safflower, olives, figs, and pomegranates. It is not difficult to imagine the chaos that would result. Thousands of acres of cotton land which cannot produce cotton without the subsidy will be forced onto the market or into other crops. It would cause chaos in land values, it would create crippling surpluses in many California crops, it would cause bankruptcies on thousands of acres of farms, and it would contribute to unemployment both on the farms and in the small businesses serving them.

It is significant to note that in the feed grains and wheat sections of the bill, growers affected by the limitation can grow outside the program and produce and sell as they see fit. They would do so without payment, but also without penalty or restriction. This is not true under the cotton section of this bill. A cotton grower affected by limitations cannot go outside the program and produce without subsidy. Secretary Hardin noted this fact in a letter to Senator ELLENDER:

> In contrast, the House Bill would allow maximum freedom to produce for the market without subsidy. The government cannot spend this much money to save an industry and at the same time preclude freedom of action by those who will try to save it without being subsidized.

In cotton, the grower hit by limitations has but two choices: go broke or go into other crops.

In short, the $20,000 limitation

amendment would injure thousands of small people who would not otherwise be directly affected by a limitation on payments, who may not even be growing cotton, and who may not even be in farming. While the $55,000 figure will have some similarly adverse effects, I believe California agriculture can withstand them, while it cannot absorb the consequences of a $20,000 limitation.

I urge the acceptance of the $55,000 per crop limitation on payments for the 3-year period of the bill. It is the best Agriculture and the House and Senate Agriculture Committees that a lower limit could prove disastrous for our agricultural economy.

Mr. SMITH of Illinois. Mr. President, I yield 1 minute to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I have listened with interest to the argument of the Senator from California (Mr. CRANSTON) that these large payments would trickle down and help the small farmers. I hope that the Senate does not adopt this trickle-down theory that we should give $2 million or $3 million payments to some of these large operations on the basis that it would trickle down to help some of the small operators.

Surely our friends on the other side of the aisle are not advocating the trickle-down theory as a solution to the problems of the small farmers. Let us make direct payments to the small operators and hold the big operators down to $20,000.

Mr. FANNIN. Mr. President, let us take a look at the farm bill we are considering. We have narrowed the issue considerably. We are no longer talking about subsidies of millions or hundreds of thousands. We are no longer talking about $75,000 or $100,000. Right or wrong, we are talking about $55,000 per crop as the top figure.

To propose a limitation of anything less than $55,000 would, according to the Secretary of Agriculture, jeopardize the chance of bringing about a balance of supply and demand.

The most immediate victims of drastic change in the subsidy program would be individual cotton farmers, their employees and businesses which depend upon this industry. Farmers not only have their livelihood at stake, but they also, in many cases, must pay on the debt on their land and pay off loans carried over from previous years.

Mr. President, there are many illustrations that could be given as to why this amendment should not be adopted. The prices received by farmers are equal to their lowest levels since 1933—about 74 percent.

The average cost to produce cotton in the Western irrigated land areas is nearly 32 cents a pound. The world price is about 22 cents a pound. The cotton subsidy is in the form of a 16.8 cents payment a pound. But it applies only to 65 percent of a grower's cotton allotment. For a grower's total production, the subsidy figures out to 10.92 cents per pound. So, if we take the world price of 22 cents a pound and add the subsidy, we come up with 32.9 cents, or about break even. Some farmers, of course, produce at a smaller cost, and some are over that cost.

Mr. President, let me give one example of the burden that will accrue to an Indian tribe in Arizona, and there are many others.

Limiting cotton subsidy payments to $20,000 for a single farm would be disastrous for the Gila River Indian Community. At present most of the income of the Gila River Indian Community comes from the 15,000-acre community farm—tribally owned—and large agricultural lease operations. This income would practically be eliminated if the proposed legislation with the $20,000 limitation is passed. The income of some 1,000 Indians leasing their own small 10-acre farms with cotton allotments would be practically eliminated. Our agricultural workers would be without jobs.

The results of this would be poverty and increasing welfare rolls for our Indian population and the halting of most of the progressive development programs being undertaken by the Gila River Indian Community. As pointed out by President Nixon, Gila River Indian Community is making real progress. This momentum should not be lost or curtailed now.

Because of water costs and other factors, cotton in Arizona can only be farmed successfully in large unitized operations. The proposed legislation would make such operations impossible.

The writer of the letter, Alexander Lewis, Sr., Governor of the Gila River Indian Community, said:

I can speak for the 7,000 Indian residents of the Gila River Indian Community in requesting that you do everything possible to have the legislation amended to exempt Indian Reservation lands from the limitations in the bill and to make the bill more equitable for all farmers.

Mr. President, let us keep the pending bill in its proper perspective. This action should not be considered without a full understanding of its detriment such as to our Arizona Indians and to many others in similar circumstances.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, first I commend the Senator from Illinois, although I intend to vote against his amendment. His initiative a few weeks ago may have resulted in saving some $58 million. For that I commend the junior Senator from Illinois.

The question here is not whether there should be payments limited to $55,000 or $20,000. The question is whether we should have payments at all. That should be the question before the Senate this evening.

If we adopt a $20,000-payment limitation, it will have no great effect on the State of Kansas. It would affect some wheat and feed-grain producers but they would survive in any event. But it would force farmers out of cotton production and they would then raise more feed grains. We would end up with a shortage of cotton and an excess of wheat and feed grains.

I believe the basic question must be whether there should be farm payments at all and whether there should be any incentive for the American farmers.

It is recognized that there should be some limitation and I credit this to the major efforts of the Senator from Illinois (Mr. SMITH).

I believe that one way to kill farm programs is to include an unrealistic limitation.

I believe that the committee and the other body have made progress and the limitation of $55,000 would affect some 1,100 farmers. It would save the U.S. Treasury some $58 million and that is a significant step forward.

Mr. President, I ask unanimous consent to include an analysis at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 883

Attached is a thorough analysis of the possible effects of a $20,000 limit applicable to payments made under the cotton, feed grain and wheat programs as proposed by Senator Smith and others.

Such a payment limit would divert approximately 4 million acres that are now in the production of cotton or in conserving uses to the production of feed grains or wheat. It would result in too much grain for feed and a shortage of cotton.

Note on Table 3 that if such a limit had been in effect in 1969, it would have made almost 2 million bales of cotton ineligible for payment and would have affected 1.7 million acres of domestic cotton allotment. A good part of this 1.7 million acres would not have been planted to cotton if it were ineligible for payment and would have become available for production of feed grains and other crops. This would be especially true in 1971 since we are anticipating a 2-cent reduction in the loan rate for cotton.

Acreage affected under the feed grain program would have been 1.9 million resulting mainly from the fact that most feed grain payees affected by the limit would be forced out of the program entirely and would tend to increase their plantings of feed grains by even more than 1.9 million. This follows since it is clear that most non-cooperators in the feed grain program plant an acreage to feed grains which is larger than their feed grain base. Table 3 indicates 1.2 million wheat acres would be affected most of which would be planted to wheat.

For the three programs combined there would have been 4.8 million acres affected in 1969 under the $20,000 payment limitation. Four to five million acres is a lot of ground. It is enough to make the difference between a program that would work and a program that would be ineffective. If this much additional acreage is planted to grains, it is enough to depress prices below loan levels and build up surplus stocks.

We conclude that: (1) a $20,000 payment limit is too low and (2) applying the limitation to the combination of three or four crops forces an undue adverse effect on the feed grain program.

TABLE 1.—EFFECT OF A $20,000 LIMIT APPLIED IN 1969 TO COMBINED PAYMENTS OF COTTON, FEED GRAINS AND WHEAT (AMENDMENT NO. 846)[1]

	Greater than 19,999 3 programs combined		Greater than 19,999 cotton alone		Under 20,000 for cotton but more than 19,999 from 3 programs combined			
	Number of payees	Program payments (thousands)	Number of payees	Program payments (thousands)	Payees (col. 1 minus col. 3)	Program payments (thousands) (col 2 minus col. 4)	Payments retained[2] (thousands)	Reduced payments[2] (thousands)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Cotton	8,754	$294,000	6,194	$262,623	2,560	31,377	155,257	138,743
Feed grain	7,941	95,585	[3]	[3]			79,403	78,041
Wheat	6,193	61,859	[3]	[3]				
Total	11,733	451,444	[3]				234,660	216,784

[1] Major assumptions are producers involved in all 3 programs who are affected by the limit would first elect to forego feed grain payments; if they were still above the limit they would then forego wheat payments. They would retain as much of their cotton payment as allowed by the limit. No payee would be forced out of the program (refuse to qualify for the $20,000). However, those receiving $20,000 on cotton alone would drop out of the wheat and feed grain programs and those receiving $20,000 on wheat would drop out of the feed grain program. There would be no change in ownership or leasing arrangements to avoid the limit (this, of course, is not a realistic assumption).

[2] For cotton, "payments retained" are calculated by multiplying $20,000 by 6,194 payees to equal 123,880,000 and then adding col. 6; for 3 programs, $20,000 by 11,733 payees to equal $234,660,000; wheat and feed grains are a residual; reduced payments are also calculated as a residual.

[3] Not relevant to this analysis.

TABLE 2.—PAYEES AFFECTED AND REDUCED PAYMENTS UNDER A $20,000 PAYMENT LIMITATION (COMBINED)

Cotton			Wheat			Feed grain			Wheat-feed grain		Cotton-wheat-feed grain		
State	Payees affected	Amount (in millions)	State	Payees affected	Amount (in millions)	State	Payees affected	Amount (in millions)	State	Amount (in thousands)	State	Payees affected	Amount (in thousands)
California	939	$40.7	Texas	2,127	$9.0	Texas	3,086	$21.8	Texas	$30,787	Texas	3,782	$53,082
Mississippi	1,377	29.3	Washington	225	2.1	California	373	7.2	California	8,637	California	1,017	49,355
Texas	3,303	22.3	Montana	169	1.8	New Mexico	262	3.0	New Mexico	3,767	Mississippi	1,377	30,912
Arizona	594	20.6	California	229	1.4	Kansas	355	2.7	Kansas	3,283	Arizona	602	23,288
Arkansas	650	10.5	Colorado	237	1.0	Arizona	233	2.3	Colorado	3,026	Arkansas	650	11,062
Louisiana	306	3.9	Idaho	94	.9	Colorado	232	2.1	Arizona	2,694	New Mexico	332	4,799
South Carolina	276	2.8	New Mexico	219	.7	Georgia	282	1.8	Washington	2,261	Louisiana	306	4,392
Alabama	317	2.8	Kansas	361	.6	Missouri	212	1.8	Montana	2,036	Georgia	344	3,924
Georgia	337	2.0	Other	2,532	4.5	Nebraska	197	1.7	Missouri	2,023	South Carolina	277	3,893
New Mexico	168	1.0	United States	6,193	22.0	Illinois	136	1.3	Georgia	1,916	Alabama	317	3,881
Tennessee	120	1.0				Indiana	97	1.1	Nebraska	1,796	Kansas	361	3,283
North Carolina	78	.7				Alabama	265	1.0	Illinois	1,333	Colorado	238	3,026
Missouri	147	.6				South Carolina	224	1.0	Oklahoma	1,283	Missouri	240	2,658
Oklahoma	113	.3				Iowa	112	1.0	Indiana	1,125	Washington	225	2,261
Other	24	.2				North Carolina	78	.9	Idaho	1,094	Montana	169	2,036
United States	8,754	138.7				Oklahoma	143	.7	Alabama	1,087	Nebraska	197	1,796
						Minnesota	77	.5	South Carolina	1,082	Oklahoma	177	1,553
						Tennessee	99	.5	Iowa	1,037	North Carolina	85	1,464
						North Dakota	100	.5	North Carolina	931	Tennessee	120	1,417
						Mississippi	718	.4	North Dakota	898	Illinois	136	1,333
						Other	660	2.7	Oregon	721	Indiana	97	1,125
						United States	7,941	56.0	Mississippi	588	Idaho	94	1,084
									South Dakota	578	Iowa	112	1,037
									Arkansas	561	North Dakota	109	898
									Minnesota	465	Oregon	84	721
									Tennessee	465	South Dakota	64	578
									Louisiana	464	Minnesota	77	558
									Other	2,018	Other	144	1,368
									United States	78,041	United States	11,733	216,784
Payees pushed out of program by limit.	0			1,721 (21%)			4,341 (55%)						

TABLE 3.—ACREAGE AFFECTED BY A $20,000 PAYMENT LIMITATION (COMBINED)

	Reduced payments	Payment rate 1969	Production affected (col. 1 ÷ col. 2)	Projected yield, 1969	Acreage affected (col. 3 ÷ col. 4)
	(1)	(2)	(3)	(4)	(5)
Cotton	$138.7 (million)	$70.7 per bale	1.96 million bales	550 pounds	1.7 million.
Feed Grain	56.0 (million)	54 cents per bushel	104 million bushels [1]	54 bushels [1]	1.9 million.
Wheat	22.0 (million)	$62.5 per bushel [1]	35 million bushels	28.3	1.2 million.
Total	216.7 (million)				4.8 million.

[1] Payment rate for additional diversion: grain sorghum.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. STENNIS. Mr. President, the Senator is pleading for the system. It is the system that does result in making the payments to the individuals.

Mr. DOLE. The Senator is exactly correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 minutes on the bill to the Senator from Georgia.

Mr. TALMADGE. Mr. President, I hope that the Senate will not be so penny wise and pound foolish as to agree to the pending amendment. It would be contrary to the recommendations of the President of the United States, the Secretary of Agriculture, the Committee on Agriculture in the House, the House of Representatives itself, and the Senate Committee on Agriculture and Forestry. All of these have given serious consideration to the problem.

It is easy enough to pick out some farmer that has been receiving big payments and to characterize them as welfare payments.

Sometimes unthinking people might feel that is the situation. What are the facts? Only three farmers in my State of Georgia draw payments in excess of $100,000.

The Atlanta Journal sent a field representative out to get a story for its magazine section on these three farmers.

What are the facts? One farmer, Hubert Cheek, Jr., of Hart County, Ga., drew payments of $114,065. He raises cotton on 72 different small farms that are primarily owned by widows and people who are too aged or who are physically unable to farm them themselves. These small farms are their source of livelihood.

The payments Mr. Cheek receives are

not only divided among the 72 small farmers, but they also provide payments for the tenants. They are divided among the people that work the farms.

These payments keep many people off the welfare rolls. That is what we are talking about. If we deprive them of these payments, those people will be deprived of a livelihood. They will gravitate to the urban areas and go on welfare, thus adding to the problem of pollution, the problem of housing, and the problem of crime. We would also be adding to the welfare rolls and adding to the problems we have in the cities that are so complex.

We talk about the urban problems. I share the concern for those problems. The problems are very complex. But if we make the rural problems any worse than they are today, people will leave the rural areas and go on welfare rolls in the urban areas.

PAYMENTS IN PERSPECTIVE

Most of us recognize that farmers have the ability to outproduce the market. And if they are not able somehow to adjust their overall production, they are in serious trouble. And so is our country. Obviously, the individual farmer—acting alone—can not do much about the total supply. If he takes the lead in cutting his own production—and overall production stays high—he just ends up taking a low price for a smaller crop.

This is what this bill is all about. It will enable the individual farmer to work with his neighbors and his government in adjusting production to expected demand—so that his ability to overproduce does not crush him economically and destroy the private marketing system. There is no other way for the more than 3 million farmers to gear their production to need—as other economic groups are able to do through large corporate enterprises, through union contracts, and through professional arrangements of various kinds.

Payments to farmers are but one essential part of this legislation. Basically these payments make possible a loan level that is realistic in terms of world price. In other words, the payment makes up the difference between that rate and a higher level geared to fair income. None of these is a welfare payment. None is a payment for doing nothing. All are quid pro quo in terms of performance.

The decision to establish a limitation on payments at $55,000 is a compromise; it is the lowest possible level at which a limitation can be set.

In fairness, we should consider what could happen if a lower limit is put into effect.

First, and most obviously, it would discriminate against larger farmers. But there is also another side to that coin: We would also be taking away from smaller farmers the opportunity to get larger. This involves a pretty basic right in agriculture—a right that to an increasing degree involves survival for many farmers. The trend toward higher and higher costs in farming is well established. Farm prices remain basically unchanged today compared to 20 years ago. The only way farmers can remain in business is to become more efficient, and often this involves expansion of the size of the farm unit.

Although no exact data is available, I believe the $55,000 payment level will permit farmers to utilize the latest in equipment and supplies in an efficient manner, while cooperating with the programs. However, a reduced level could substantially impair efficiency on many farms—if they are to remain enrolled in Government farm programs.

Congress has concluded wisely over a long period of time that piling up large agricultural surpluses is not in the public interest. Thus, we want to attract participation on the part of farmers as a means of preventing price-depressing surpluses, reduced farm income, and increased Government costs.

On the question of costs to the Government, I would urge my colleagues to resist the temptation of fools gold—the lure of possible savings through a substantially lower limit. In the long run, it is possible that there would be no savings, and that the programs simply would become more expensive to operate. If many of our most efficient farmers are forced outside the programs, they would have little alternative but to increase production as a means of recouping lost income. Since they would not be eligible for price support, their production probably would flood the market.

If another buildup of Government stocks were to occur—such as we had back in the 1950's—the increase in loan investment plus storage and handling costs would exceed any savings.

Remember, too, that we are talking here about the future of the small farmer. His position would be severely damaged by the downward pressure on prices. It is he who would be dependent on the loan program to obtain the support price. And if only the little farmers got into the programs, they could give up all of their production and still not begin to solve the surplus problem. The cycle would be endless.

I believe a limitation at $55,000 is the lowest practical level at which the programs provided in this bill can be operated without severe and totally unnecesary disruption. I urge you to support that level in the interest of all farmers and a stable agricultural economy.

Mr. President, I ask unanimous consent that the article to which I have referred, entitled "Trouble in the Cotton Field," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TROUBLE IN THE COTTON FIELD

(By Andrew Sparks)

Three Georgia farmers last year received more than $100,000 apiece from the federal government.

Many a taxpayer, remembering his personal involvement in government programs back at income-tax time, might envy the farmers and dream of having a little place of his own where he "could do nothing and get rich."

But farming is not like that, according to the men who received more than $100,000 in price support payments from Uncle Sam, one in north Georgia, one in middle Georgia, one in south Georgia.

They are cotton farmers, and raising cotton, they say, is the most expensive kind of farming you can do. It is so expensive, they claim nobody in this country could grow cotton without government support.

These top money men—the biggest cotton farmers in the state—were Asbury Wright of Dooly County, who received $123,156 in government payments; Hubert Cheek Jr. of Hart County, $114,065; and Guy H. Shivers of Warren County, $105,031. For them, cotton was no bonanza. One of the men says he lost money on his 1969 cotton crop, even with more than $100,000 in aid from the government. Another, who at times borrowed as much as $200,000 to finance his crop, figures he had a total net profit on his entire farming operation of only $14,000. The son of the third says, "We didn't make the laws, and everybody farms the way he does trying to come out with the most omney."

Hubert Cheek, who lives in a tiny north Georgia town called Bowersville, seven miles from the county seat at Hartwell, grows cotton on 72 different farms. All but one of them are somebody else's. The only farm he owned he has now sold to a south Florida cattleman who will take it over in 1972. Mr. Cheek's operation is so far flung he has to mark the sites on county maps and carry a list in his pocket to keep up with where he is planting, plowing, spraying and picking. Without him, and maybe a dozen smaller farmers who operate the same way, the bulk of the cotton in Hart County would not be planted.

Mr. Cheek rents land and rents cotton allotments and grows his crop in scattered patches over an area 10 miles square. He says if limitations are set on future crops and the amount of federal payments one farmer could collect in one year is restricted to $20,000 he could simply let each of the 71 farm owners collect the government payment and hire him to produce the crop. Twenty-four of the farms he plants are owned by widows ("It's kind of a sob story," Mr. Cheek says) and few of them could grow the cotton themselves.

Many of the owners—widowed, retired or gone to work at industrial or city jobs—would get no income at all from their farms without Mr. Cheek's help. His rent money often pays the owner's taxes, which have risen considerably under Hart County's tax reevaluation, and part of the owner's living expenses as well. Mr. Cheek's crop also keeps the cotton allotment on the farm. If unused, the allotment would revert to someone else, and if not used in Georgia would go to another state.

Bud Cheek's base of operations is a range of brick buildings facing the railroad tracks in Bowersville. His father, and his grandfather before that, operated a farm supply business in the big brick stores, back when Bowersville was a prosperous town and every little Hart County farm supported at least one family. The big buildings are now used as shops for repairing farm machinery. There's so much of it, inside and out, the place looks like an equipment dealer's display yard for second-hand tractors, pickers and sprayers. All the equipment is Mr. Cheek's—thousands and thousands of dollars' worth.

"Farming has got to where a man can't own both land and machinery," he said. "All over the United States the bulk of farming is now done by people who lease other people's land. All of the farms I work used to support one or two families. Now they won't support any.

"I didn't intend to do all this cotton farming, but my neighbors came and begged me to work their land. I turned down 1,000 acres of cotton this year. I couldn't get to it, and the owners couldn't get anybody else to do it.

"Mine is just a one-man operation. No partners. No corporation. Just me. I usually have five or six workers. We use all modern

equipment, like sprayers to put out weed and insect control. I have 15 tractors, including late model highboys. Here's the first tractor I ever bought—in 1949," he said, walking around the corner of his shop to point out an old machine that had been retired to the shade of an ancient oak. "This tractor cost $2,500 back when we were getting 45 cents a pound for cotton. Today, when the market for cotton is down to 20 cents that same tractor costs $8,000. Fertilizer and labor are up—we pay all the wage increases across the board. A cotton picker costs between $20,000 and $25,000, and I have three. It's not economical to use them in a lot of little scattered fields, but I do."

Most men are sensitive about the public exposure of their private finances, and Mr. Cheek was understandably riled when newspapers started publicizing how much he received each year from the government. Rep. Paul Findley, a Republican from Illinois, supplies Congress with an annual list of every farmer who receives more than $5,000 as part of the Findley campaign to limit farm subsidies to $20,000 per individual. Mr. Cheek's payments have increased from $60,000 to $80,000 to $114,000 over the last three years as he has upped his cotton acreage. The figures have been reported in state and local papers.

"Folks have tried to sell me everything but the Brooklyn Bridge since the stories started coming out," Mr. Cheek said. "It used to make me mad as hell. I could have stopped it. I could have let the money come to the people who own the land and let them pay me for growing the cotton. It never would have been noticed. But I believe this way is better. I have to pay income taxes on it anyway. But the publicity got rough before I began to sway with it.

"In the last four years, 50 people have been here to see me. They've come from as far awayas Washington and California. I'm just not that large. I've got a friend in California the government pays $2 million to. My operation is just like a handful of marbles.

"Basically, the government is paying farmers what it used to pay the textile mills. For years and years we had a two-price system on cotton. Cotton brought about 22 cents a pound on the world market, but it sold for around 32 cents a pound here. The government paid the mills the difference between the world market price and what they had to pay to buy cotton in this country. It was a rebate to the mills. If a mill bought a million dollars' worth of cotton, they'd be rebated between $300,000 and $400,000 in a direct payment from the government. That was never mentioned. Then the mills got scared of possible publicity, and the government gave the money to the farmers. Farmers have been getting the money of four years."

Georgia Sen. Herman Talmadge sponsored the 1965 Agriculture Bill which brought about the change.

Most of the big money payments in Georgia are for cotton. Mr. Cheek says cotton is responsible for 99 per cent of his. Three crops have a price support—cotton, wheat and feed grains, which are corn, barley and grain sorghum.

Wheat and feed grains are "diversion" programs, in which a farmer can divert some acreage to something else, or leave some acres idle, and receive a payment. But in cotton—unless he has less than a 10-acre allotment—he's got to grow it to get it. He is paid on the basis of his projected yield, determined by the past history of the farm. And he can draw a payment—currently 16.8 cents a pound—for only a certain part of his allotment, set each year by the secretary of agriculture. This year it is 65 per cent.

"What this money is doing, like any money the government puts out, is getting people to cooperate in something," says Paul Holmes, state executive director of the Agricultural Stabilization and Conservation Service, which handles the payments and allotments. "The government is asking farmers to participate in orderly production, asking them to leave land idle—as in the grain program—and to limit the cotton production to what we think we need.

"Our program is available to everyone. When it was designed, it was never intended that anyone would get $100,000. What these big farmers have done is buy up land, rent farms, lease allotments—agriculture is no different from radio or any other business; you're always going to have the J. B. Fuquas and the Coxes. When you hear about a farmer who has received $100,000, you know he's gone out and exposed himself. What I feel for him is not envy or jealousy but compassion."

Mr. Cheek agrees. "It's no bed of roses," he said. "With what I borrowed, I could have made more money in any other kind of business. Not many individuals would be crazy enough to go out on a limb for that kind of money."

"If the government reduces supports, I'll reduce my crops, reduce the land I work, the allotments I lease, the workers I hire. If I go plum out, I've got to think about a diversion to something else. could get a job but there are not many things I could do on account of my disability. I can't get on a tractor."

Mr. Cheek came home from World War II with some souvenirs. He has two bullets, one in his heart tissue and one in a bronchial tube, and a silver plate in his head. After the Battle of the Bulge, he spent two and a half years in hospitals. He went back to Clemson and graduated, with a degree in animal husbandry. Now the oldest of his three children is a son at the University of Georgia, majoring in business administration, which is what Mr. Cheek figures a farmer most needs to know today.

"I'll probably continue growing cotton as long as it's feasible and I can make a living for the boys who work for me and make some money for the landowners, but when it gets to the point I can't, I'm going to get out.

"The way I look at it, 72 people drew the $114,000 that was paid me. Down in Dooly County, 28 people drew $1.1 million. Dooly County is the seat of the big producers."

Asbury Wright, "Bury" to his friends, is the biggest cotton farmer in the state. The 40-year-old south Georgian lives near Pinehurst, Ga., eight miles north of the Dooly County seat at Vienna. He and his wife and four children, ages 8 to 18, live in a modern red-brick ranch house built in 1950. There's a new blue swimming pool in the yard, and nearby rows and rows of cotton wagons and tractors are neatly parked under long red-stained open sheds.

Mr. Wright's office, set on blocks in a thick stand of coastal bermuda, is a blue and green, three-room house trailer, air-conditioned, carpeted wall to wall, and equipped with two telephones and two secretaries, all busy. One of the secretaries is Mr. Wright's. The other works for the Pinehurst Dusting Service, which does aerial dusting for farmers in Georgia and Florida. Mr. Wright is one of five men who own the business.

"If I had to depend on this farm to feed me, I'd be out of luck," Mr. Wright said when he arrived at his trailer office. He wore pointy-toed boots, an alligator belt, pants cut Western style with horizontal pocket openings on the front, and a wide-brimmed Panama. He has the kind of sunburn typical of farmers who wear hats—brown cheeks beneath a pale white forehead. "I was in a tax meeting all morning, trying to find out what to do about the property tax on these airplanes."

The Pinehurst Dusting Service operates in Georgia in summer and Florida in winter, and both states want to tax the company's five airplanes. Mr. Wright and his secretary, who had gone to the tax meeting in Vienna with him, had evidently missed lunch, and, when they had a break, kept nibbling on Tom's Peanut Butter Logs from a glass apothecary jar on the desk. "Allen Fullford, the county agent, is coming out," Mr. Wright said in a momentary lull between phone calls about trucks and airplanes and herbicides that hadn't killed what they were supposed to.

Dooly is Georgia's No. 1 county in cotton production, and has been for the past seven years, the county agent said when he got there.

"The practices our farmers carry out are responsible," he explained. "We don't have the highest cotton allotment in the state, but by leasing allotments from other counties we are up close to the top. The biggest reason our folks are No. 1 in production is because of improved practices—getting a good stand, planting on beds, preparing land, proper fertilizing and liming. Where they succeed more than anywhere else is in insect control.

"Dooly County has the highest projected yield in the state—it's been more than 600 pounds per acre for three years.

"I'd say 85 or 90 per cent of the farmers growing cotton here plant it on their own land and on rented acres. We have farmers renting a tremendous amount of land. Economic pressure brought this about. Farmers must have large units to be able to afford the equipment necessary to grow cotton and to be efficient enough to stay in business. A man with 15 or 20 acres can't grow cotton. He couldn't buy the necessary equipment. He's got to rent his land out."

Mr. Fullford estimated that most farmers in Dooly County pay between $40 and $50 an acre to rent land with a cotton allotment. This is twice as much as Mr. Cheek pays for his scattered fields in north Georgia.

"I pay $50 an acre," said Mr. Wright, who grows cotton in nine different locations. He has a 1,000-acre farm of his own and rents five others. Last year, but not this, he also grew some cotton in Sumter County, for which he received around $5,000 in price support payments, a sum that was not included in the published figure of $123,156. This year he has 1,456 acres of cotton.

"During a break in the tax meeting this morning, I tried to figure what it costs me to grow an acre of cotton—I never had broken it down before," he said. "It's almost $220. I'd have shot myself if I'd known it cost that much. I never figured it before."

He pulled his penciled tabulation out of this pocket. Taxes, $2.20. Preparing land (mowing old stalks and harrowing twice), $10. Seed, $6.80. Planting, $2. Herbicides, $7.10. Insecticides, $72. ("That's outrageous—last year I sprayed till November. My bill for insecticides was $66,000.") Application of sprays, $19.80. Cultivating, $6. Harvesting, $46.20. Fertilizer, $23.20. Lime, $8.20. Interest on borrowing money, $14 per acre.

Mr. Fullford says his office figures it costs the average farmer 27 cents to raise a pound of cotton—six or seven cents more than the world price.

"This comes to almost $170 per acre," he said. "A farmer gets about $100 per acre for his cotton, plus $95 from the government, and he should have a profit of $25 or $30. If Bury's $220 figure is right—it probably is; I checked him once for the Bale-and-a-Half Cotton Club and his expenses did go over $200—he may have lost $25 per acre. If so, he went $38,000 in the hole.

"Before farmers received direct payments, they were able to put cotton in the loan, to acres which he and his mother own together. Guy graduated from the University of Georgia with a major in dairying in 1949, after a 26-month interruption for military service.

"What I intended to do was have a dairy, but beef prices were high and we were already in beef cattle," he said. "We sold cattle

higher then than we ever have since. Then I got off into this cotton business."

Mr. Shivers was helping workmen load some reluctant cattle into a truck for the weekly auction sale in Washington, Ga. A friend watching him work, as he pushed and shoved with a cattle stick in his hand, said, "You won't get him to stay still long enough to make a picture."

He wore rumpled khakis, with a hole in his pants, and big-toed high shoed. A mat of gray hair portruded at the open neck of his shirt, and the dark hair on his head was cropped in a crew cut. He and his wife, who have two children, a boy at Middle Georgia last year a girl who will be a freshman at Brenau this fall, live in a handsome white frame ranch house on Highway 287; it sits in a shady landscaped island surrounded by cotton fields.

The base of the farm operations it at his mother's house, a one-story structure enveloped on three sides by a screen porch, that traditional Georgia way to combat the summer heat which cotton thrives on. Farm equipment and shops cover a couple of acres behind the house. Between the shops and the house is the office, a little one-room trailer.

"We plant about 1,400 acres of cotton," Mr. Shivers said about the hum of the air-conditioner in the dark, cool retreat from the heat outside, "and we have to lease allotments to plant that much. Only 400 acres of it is on the home farm. I also have a farm and plant 100 acres there. The rest is planted on land we rent, including 250 acres on Cox Woodlands land. We make a payment to Cox Woodlands of about $9,000, part rent payment, part cotton payment.

"Two or three farmers draw the government payment themselves and pay us for growing the cotton. We feel $25 an acre is the minimum we can get by with. We also get the cotton, but the cotton doesn't bring much. Farmers can't grow cotton at the world price. We aren't paying the world price for anything else. Insects are the big problem—we spray every five days beginning the last of June. If we could get rid of insects we might be able to produce cotton at the world price.

"Without price supports, we couldn't even plant cotton. The farmer is not the only one to benefit from the payment. When you take row crops out of an area, you pretty well take a lot of business out of the area—fertilizer, chemicals and equipment aren't used as much and that hurts business. Our payments for cotton last year were around $80,000 and our chemical and fertilizer bill was $70,000. There's not as much business when the fields go to pasture. Yet, I don't see how taxpayers can subsidize farmers to keep small communities alive. (The Barnetts, the Bowersvilles, the Pinehursts.) Maybe they'll have to let them die.

"In the farm program, verytime they find a solution to one problem, they create another one. It gets more complicated, and more misunderstood.

"In the farm program, everytime they find We didn't make the laws or the rules. Everybody farms the way he does trying to come out with the most money. Sometimes you try to maximize your payments. Sometimes you don't.

"You can cut down on your corn, and plant just half, and get the same payment as if you planted it all. That's what I call maximizing. If you have a 100-acre cotton allotment, you get a payment for only 65. So you only plant 65. That's maximizing.

"In Congress, they say they're going to put limits on payments. Some congressmen want to wipe out the farm program. It is bad that you have to depend on a government subsidy to operate. I'd rather not have it that way, but farming's not the only one.

'If they put a maximum on payments, we'd have to cut out the farms we're renting. We'd get into a position where we would not suffer a cut in payments by going over a specified amount. We don't know what that is—they're talking about $25,000. We'd probably just plant 300 acres of cotton on our own farm—not 1,400.

"It takes a lot of money to grow cotton. And cotton has a way of being disappointing. At harvest time you don't have as much cotton as you think you have. It doesn't grade as good. The price drops. It's not as sure as some crops."

Is it on the way out?

"I wish I knew."

Meanwhile, back in the patch, weevils are working. And farmers are working to get the weevils, to kill the weeds, to pick the lint. Taxpayers are working to earn enough to pay the government enough to support the farmers, the sprayers and pickers, so the farmers can get cotton to the mills cheap enough to complete with cheap cotton and cheap labor of other countries. Mills complain that they need tariff protection which, in effect, is what the farmers already have.

Cotton is the most expensive crop you can grow and the most troublesome, and the expensive crop is in trouble.

Any way you look at it, cotton is trouble.

Mr. TALMADGE. Mr. President, all the pending amendment will do in the final analysis is cost the Government more money and not less.

Mr. ELLENDER. Mr. President, I yield 2 minutes on the bill to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, last Thursday I spent the day in the high plains area of Texas where I attended an annual exposition of farm machinery and equipment. It was the first time in more than 5 years that I had seen such a demonstration of farm machinery. I was impressed by the sharp increase in the price of farm machinery and equipment during the last 5 years.

These machines are manufactured primarily in the Northern States. By limiting farm support payments, we will be discouraging the growth of agriculture in America. When the farm economy is curbed it hurts not only the farm States but the industrial States of the North—farm support payments are necessary if the individual farmer is to compete against the large corporate farms which would ultimately put an end to family farming if there were not support payments. These payments help keep the small farmer in business and off the welfare rolls. If this unwise amendment is adopted, we will be sounding the death knell for family farming as a part of American life.

In the last month, there have been more foreclosures of farms advertised in the newspapers in the high plains area of Texas than in any other month in the last 10 years. This demonstrates the desperate condition of American farming and why these payments must be retained.

The farm program is important not only to the well being of the people of rural America but it is also essential to urban America where the people are in need of reasonably priced food and other agricultural products. Therefore, I urge the Senate to reject this amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 minutes on the bill to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I merely wish to add my voice in support of the committee action. This matter has been considered, as was pointed out by the Senator from Georgia, by all responsible agencies from the President down through the congressional committees. It would seem to me that it would be the height of irresponsibility if the Senate took this way to abolish the farm program. It would be much more honest and straightforward to recommit or table the bill itself because this is an indirect way of attacking the whole program of agriculture which has served this country so well.

Mr. President, I congratulate the committee, and particularly the able chairman, for having reached what I think is a reasonable compromise. Along with him, I have always believed that limitations, as such, would not be in the interest of agriculture over all. Having worked out this compromise of $55,000 I think it would be a great mistake for everyone involved, including the businessmen in the cities, as has been mentioned, as well as the farmers, for us to now disrupt this very reasonable agreement which has been reached and which I believe is essential to the enactment of this bill.

I hope the Senate does not accept the amendment of the Senator from Illinois.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I thank the Senator for yielding. I think the Senator from Georgia (Mr. TALMADGE) gave the best down to earth summary that I have heard anywhere any time when he mentioned the small farmers that would be affected by this limitation. I can testify that this is certainly true in the major areas of my State.

This limitation would leave out payments on two million bales of cotton. That would mean that that land would be driven into some other enterprise because it has gotten so expensive to grow cotton now in the conditions we have.

As the Senator from Kansas said, the real question is: Are we going to have the program? The system of having this orderly supply of these products at an economic level that will support the people is what we are having to pay for. There is a cost to the Treasury Department but it is the system and it is a system that has been proven over and over again because we do not have the surplus of cotton any more.

I think this matter has been carefully studied. The President studied the matter as well as the Secretary of Agriculture, and the two committees and we are the last ones to pass on it at this level.

Mr. President, as is usually the case when a farm bill or an agriculture appropriation bill is under consideration, there occurs an immediate and frequently violent attack on farm payments.

The farm payment program is not well

understood by the average urban dweller, and is resented by him because he knows individuals are given money that comes from taxes and he does not know why. It is attractive because it is psychologically easy to drum up enthusiasm for cutting farm payments. It is a subject that is attractive to the news media, and it gets favorable attention at home—unless home happens to be one of the agricultural States that labors to feed the great industrial States, those rich and populous States, particularly the Northeastern States, where it has been found that it is much more profitable to manufacture things and sell them to farmers than it is to farm, and where in consequence there are very few farmers left.

Mr. President, let us make it clear on the record that there is no way that a farm problem can be dealt with in isolation, without relating the problem to that vast group that must share the consequences of any action that has an effect on farm production, the multitude that do live in your States, wherever they may be, the consumers.

Let us recognize that our larger concern must be for the consumer, whom we all represent. Should anything be done that would decrease the availability of food and fiber to him, or increase its cost, it is his mouth and his back you take it from, not the farmer's alone.

From what sources does the most economically produced food and fiber come? It comes in large part from the larger producers, where the most efficient mass production methods can be used.

And who is being attacked with these demands for lower and lower farm payment limitations? Why, it is the large producers, of course.

So I think it must be clear that what is being debated here with gusto by those who feel they have a good thing going is not the farmer, or his bank account, or the size of his note to the bank, but his crop. And of course it is not his crop. It is the consumer's because he has to have it. There is no way he can do without it. So he must pay whatever price must be paid to obtain it, and that depends on how much it costs to grow it. I am sure my colleagues understand that it is the consumer's welfare that is ultimately at stake, when the economic processes have run their full course. I do not know whether their constituents understand this, as they read or hear of the strenuous efforts to cut the payments to farmers. If they do not know now, they will in time.

Mr. President, the agricultural product of our country is the true golden egg in our economy. The easiest way to cook the goose that laid it is to put the large producers out of business.

These are the most efficient producers, the innovators of new technologies. They do not grow a different crop from the smaller farmers, whom we all worry about. They just grow more of it. It would be puzzling to understand why the larger grower should be penalized more, per increment or crop, than one somewhat smaller in scope—if it were not so apparent why these cuts generate so much enthusiasm on the part of those who propose them. I submit that the enthusiasm will continue only as long as the consumers at home do not fully appreciate the problem.

I think, too, that Congress must remember that this system of farm payments was adopted because in 1965 the Congress departed deliberately from price supports based on parity, using these payments to take up the slack. Drive the programs back into the old system, and it is going to cost more than the system we have.

The $55,000 limitation represents an effort to keep enough farmers in the various areas of agriculture to maintain adequate levels of production to meet demand. It is a compromise, but reached by reasoned judgment by the Agriculture Committees of the Senate and the House, in conjunction with the Department of Agriculture. It should be supported.

There appears to be a rather widespread impression that these payments to larger farmers represent their profit. I wish to point out that it covers a part of his costs and all of his profit, as well, and there may not be any profit, unless there have been favorable growing conditions.

As you know, there are only three kinds of crops that are covered by these payments—wheat, feed grains, and cotton. I am mainly concerned with cotton, of course. There are no farmers in Mississippi who would receive more than $20,000 in the wheat or feed grain program, but nevertheless I strongly support the $55,000 figure for all three crops, because the consequences of a $20,000 limitation are unacceptable.

I know what the consequences would be in the cotton belt. The businesses and banks in many of our rural towns would have to close their doors. Land values would be greatly depressed. There would be widespread economic disruption, and not just among farmers, but across the entire community.

Secretary Hardin, in his written statement issued on July 27, 1970, after the passage of the House bill, stated that he supports the $55,000-payment limitation, without reservation.

I am supporting the payment limit of $55,000 because this is the lowest possible figure that the cotton industry can tolerate without serious disruption. According to the Department of Agriculture even this high a limit will deny payments to some 730,000 bales of cotton.

With the cost of production higher than market prices for nearly all farmers—large as well as small—very little cotton can be grown without the incentive payment. Those who do plant some cotton beyond that on which they receive payment depend on the payment to cover overhead costs on this part of their production.

The cost of growing cotton has increased rapidly over the last few years, and the labor force has dwindled. This had made alternative crops such as soybeans and feed grains more attractive in relation to cotton. In 1968, there was an optional diversion payment of 6 cents per pound. To plant cotton beyond 65 percent of their allotments, cotton farmers had to give up this 6-cent diversion payment. In 1970, there was no diversion payment; and the decision of what to plant on the other 35 percent of the allotment turned on what crop promised the greatest return. Under these circumstances, a smaller percentage of the available allotment was planted to cotton than in 1968 when the 6-cent diversion payment was offered.

Farmers are showing less and less inclination to plant cotton and more inclination to substitute other crops for it when market prices are the only return they can expect. If this trend continues, we can expect to get very little cotton produced for which no incentive payment is made.

The cotton supply is now down to dangerously low levels. Shortages exist in some very important quality categories. USDA estimates that this season we will have demand for more cotton than we will produce for the fifth consecutive year.

We simply cannot go on producing less than the market requires. Just a threatened shortage of certain qualities in 1967–68 cost us millions of bales in markets. A much more real shortage faces us if we do not do everything possible to encourage cotton production.

I said that the $55,000 limit might cost us in production up to some 730,000 bales. Under the circumstances, this is bad enough. The $20,000 limit which is being proposed would deny payments on 2 million bales. This is simply intolerable. There would be little point in spending money on a cotton program to help one of the Nation's important industries survive, on the one hand, and then turn around and make it economically impossible, through too low a payment limit, for that industry to produce enough to hold its markets.

The most serious problem facing the cotton industry in the next few years is that of getting enough cotton grown to supply the demand. It is simply not in the national interest to compound that problem with an unrealistic payment limit.

Mr. President, I hope the Senate will sustain to the committee and this compromise, because that is what it is. I thank the Senator for yielding.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DOLE. I merely want to say that if this payment limitation is reduced we end up killing the program or, in the alternative, make large storage payments to those who store cotton, wheat, and feed grains.

Mr. PACKWOOD. Mr. President, at the request of the Senator from Texas (Mr. TOWER), who is necessarily absent, I ask unanimous consent that a statement prepared by him be printed in the RECORD.

There being no objection, Senator TOWER's statement was ordered to be printed in the RECORD, as follows:

Mr. TOWER. Mr. President, while I can understand and appreciate the arguments of those who advocate lowering the payments limitation to $20,000, I cannot support such an effort for reasons which I will make clear.

It has been my record in the Senate to support the concept of market economics. I believe that intervention by the government in economic matters seldom benefits the economy or the people in the short run and never in the long run. Secondary problems immediately appear which must be dealt with. Legislation is then drafted to circumvent the problems caused by the first instance of intervention. Passage of this legislation further disrupts the market and leads to further problems, and so forth and so on.

As Professor Ludwig von Mises, the distinguished founder of the Austrian school of economics, has pointed out so often, intervention begets intervention.

That is the situation we find ourselves in in debating the feasibility of limiting agricultural payments. Both Committees have recommended a limitation of $55,000 per producer per crop. This figure is high enough so as to affect a relatively few producers. The economic impact would be minimal. If, however, we were to adopt the lower figure, a great many producers would be affected. The secondary economic impact would be considerable.

I anticipate that a great many farmers would move into the production of crops for which their land, their weather, their resources were less adequately suited. This shift in production would imperil the markets of other products, which markets are stable at this time. I believe we would compound our problems by making less optimum use of our resources, endangering or destroying presently stable markets, creating confusion for the agriculture industry as a whole, and imperiling the flow of agricultural goods on which our people and our foreign trade balance depend.

I hope that the Senate rejects this amendment.

Mr. SMITH of Illinois. Mr. President, the senior Senator from Oregon (Mr. HATFIELD) is unable to be here today. He has consistently supported the $20,000 farm payment limitation, and he has asked me to place in the RECORD a statement of support for the amendment. I ask unanimous consent that the statement may be printed in the RECORD.

There being no objection, Senator HATFIELD's statement was ordered to be printed in the RECORD, as follows:

EFFECTS OF FARM SUBSIDY LIMITATIONS IN OREGON

Mr. HATFIELD. Mr. President, I support the efforts, led by Senator Ralph Smith, to limit farm subsidy payments to $20,000. This amendment will save our taxpayers nearly $345 million annually.

Many of the recipients of farm subsidies are large "agribusinesses." Corporations and agribusinesses are receiving large sums of money from programs originally intended to strengthen the rural family farmer. I am aware of the positions taken by the opponents of this amendment; but the current program is making the rich richer and the poor poorer, because it is widening the monetary gap between the small farmer and the corporate farmer.

In Oregon, less than 90 of our thousands of farmers would be affected by the $20,000 limitation, 69 of whom are in wheat farming. The Oregon payees receiving over $20,000 receive a total of $2.3 million—a small percentage of the same group on the national scale, which receives $374,000,000. Thus only six-tenths of one percent of the over-$20,000 payments received nationwide are received by Oregonians. Only 44 Oregon payments are over $25,000; the other 57 are between $20,000 and $25,000. A very high percentage of the recipients of subsidy payments in Oregon are receiving less than $500—it is interesting to note that 52.5 percent of all payees receive less than $500 in payments. These payments, however, amount to only 6 percent of the total amount of subsidy money paid. At the same time, 7.3 percent of all Oregon payees received over $5,000, but this group collected 50.5 percent of the total amount paid to all payees in 1969.

Those few Oregonians—one-half of one percent—affected by this farm subsidy limitation presently receive 10 percent of the total money paid in Oregon.

I insert a Department of Agriculture chart showing the payment breakdown for subsidies in Oregon in 1969 to appear at this point in the RECORD.

U.S. DEPARTMENT OF AGRICULTURE—AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, FREQUENCY DISTRIBUTION OF ALL ASCS PRODUCER PAYMENTS EXCLUDING PRICE SUPPORT LOANS FOR CALENDAR YEAR 1969

OREGON

Range of total payments		Number of payees	Percent distribution	Total amount dollars	Percent distribution
From	Through				
(1)	(2)	(3)	(4)	(5)	(6)
Less than	$100.00	3,422	21.77	146,884	0.62
$100	199.99	1,792	11.40	261,095	1.10
$200	499.99	3,049	19.40	1,016,080	4.28
$500	699.99	1,918	7.62	714,078	3.01
$700	999.99	1,254	7.98	1,050,599	4.43
$1,000	1,999.99	2,077	13.22	2,942,582	12.41
$2,000	2,999.99	881	5.61	2,150,054	9.07
$3,000	3,999.99	522	3.32	1,813,950	7.65
$4,000	4,999.99	370	2.35	1,663,165	7.01
$5,000	7,499.99	505	3.21	3,078,974	12.98
$7,500	$9,999.99	245	1.56	2,113,624	8.91
$10,000	14,999.99	232	1.48	2,792,350	11.77
$15,000	19,999.99	80	0.51	1,370,770	5.78
$20,000	24,999.99	43	0.27	959,547	4.05
$25,000	49,999.99	40	0.25	1,262,449	5.32
$50,000	99,999.99	6	0.05	381,102	1.61
Total		15,716	100.00	23,717,303	100.00

v 0.005 percent or less.

Note.—The above statistics show the number of farmers in Oregon receiving over $20,000 in subsidy payments to be 89. This figure is slightly different from an earlier report which shows the same category to be 86. The difference stems from the fact that the 86 comes from a State report and the 89 is a sum of the county reports. (Bi-county farmers result in the higher figure in the county report.)

Mr. JAVITS. Mr. President, on behalf of my distinguished colleague from New York (Mr. GOODELL), who is necessarily absent, I ask unanimous consent to have printed in the RECORD a statement by him in support of a limitation on farm subsidy payments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GOODELL

Mr. GOODELL. Mr. President, the amendment before the Senate today wil alter one of the most wasteful programs in Federal Government spending: the payment of outrageously large farm subsidies to a handful of wealthy producers. It offers the Senate an unparalleled opportunity to correct an excessive waste of the taxpayers' money.

For a number of years, I have been active in the effort to bring an end to these indefensible farm payments. I have voted against agriculture appropriations and authorization bills in a protest against the funds they contained for large subsidies and because I did not believe them to be the best measures for the farmer, the consumer or the taxpayer. I actively supported efforts in the House of Representatives to impose payments limitations. Upon coming to the Senate, I continued to press for such limitation. Last year, when the FY 1970 Agriculture Appropriations Bill was considered, I offered an amendment to place a $10,000 per crop limit on the amount an individual producer of cotton, wheat or feed grains could receive. Regrettably, my motion to suspend the rules to consider this amendment did not carry.

On May 5 of this year, the Senator from Indiana (Mr. BAYH) and I together with 8 cosponsors, reoffered this amendment to the "Coalition Farm Bill" (S. 3108) in order to place a $10,000 per crop limit on all producers. Contrary to popular notion, a payment limitation at this level would effect only 3.8 per cent of the cotton producers, 0.5 per cent of the feed grain producers, and 0.7 per cent of the wheat producers—of the total 2.5 million producers in the United States—yet would have resulted in a substantial saving of approximately $338 million.

In July of this year, the Senate passed a $20,000 limit on the Fiscal Year 1971 Agriculture Appropriations Act, a measure which I supported.

The fight for a meaningful limitation is now confronted by the fact that the House of Representatives and the Senate Agriculture Committee have agreed to what I consider to be a totally unacceptable limit on these outrageously high subsidy payments. They have accepted a limit on each producer of $55,000 per crop for each of the three crops of cotton, wheat and feed grains—which is really no limit at all. It is, in my view, a facade. Imposing a limit of $55,000 per crop will save a mere $58 million of the total $3.6 billion now paid out in farm subsidies nationwide. This will limit only about 1100 of the 2.5 million producers.

As presently constituted, our farm subsidy program is a national scandal. The number of individuals and corporations receiving payments constantly increases, as does the total amount of subsidies paid out for these programs.

An examination of the facts about this program reveals that in 1969 2.5 million producers in the United States received a total of $3,695,200,000 in subsidy payments for all programs. Less than 1 per cent of these producers received subsidies over $25,000, but these large payments total $406 million—11 per cent of the aggregate amount paid.

In testimony before the Senate Appropriations Committee on June 4, 1969, Secretary Hardin, on the basis of 1968 figures, estimated that 65 per cent of the cotton pay-

ments, 49 per cent of the wheat payments, and 11 per cent of the feed grains payments were simply income supplements rather than payments for acreage diversion. In other words, a large part of the large payments are a net addition to producers' substantial incomes from farm products marketed rather than payment for leaving land out of production to balance supplies with market outlets available, as is commonly supposed.

A most distressing fact is that farm subsidy payments do not aid the hardpressed small- and middle-size family farmer. Moreover, the list of "farmers" who receive large checks includes non-farm corporations, banks, several State prisons, and even State governments. In the cotton program, for example, in 1968, 62 per cent of the program payments, totaling $787 million, went to fewer than 35,000—7.6 per cent—of the 449,000 producers and landlords who received cotton program payments. These 35,000 large producers received checks of $5,000 to $3 million while the other 414,000 producers received checks averaging about $700 each. Half the cotton producers received checks of less than $700. Subsidies to cotton and wheat growers, fully half of which go to the very large farmers, now exceed 50 per cent of the value of the crops they produce.

If the Senate adopts this amendment, we will place in permanent legislation a realistic limit on this great giveaway program. If we accept the Committee recommendation of $55,000, we will not have done the job. Imposing a $55,000 limit on each of these three crop programs is a little like chipping away at the tip of an iceberg. A $20,000 limit will still affect a very small number of our total farm producers and result in a substantial saving of over $200 million, as contrasted to the mere $58 million which the House and Senate Committee have provided.

The scourge of hunger and malnutrition still exists in our land of wealth. We are told that there is not enough money to provide sufficient funds for welfare reform, revenue sharing, and adequate health, urban rehabilitation, education and job training programs. Meanwhile, inflation continues to eat mercilessly away at the pocketbook of every American.

How, then, can we accept a meaningless limit of $55,000? How can we justify the perpetuation of a program which assists no one but a small handful of wealthy producers and corporations? We cannot. I urge the adoption of a $20,000 limit by the Senate.

Mr. SMITH of Illinois. Mr. President, very briefly, in conclusion, I have listened most interestedly to the arguments, but I must say in all candor that I am not very impressed or convinced.

If we have a problem with the Gila Indians in Arizona, and we may have, I would be willing to do whatever is reasonable or appropriate to solve that problem. But let us not call it a farm program if we do it.

If we have a problem in Georgia, as suggested by the distinguished Senator from Georgia, and we may have, with respect to widows, or people who will not work their farms—and I think that was the language used——

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. SMITH of Illinois. I yield.

Mr. TALMADGE. I did not say "would not work their farms." I said "could not."

Mr. SMITH of Illinois. I beg the Senator's pardon. I misunderstood and I did not mean to misquote the Senator.

If we have such a problem, and I am certain we do, with corporate profits of Standard Oil, in California, with certain institutions and others that collect these giant subsidies, and if we have a problem that needs to be handled, that is fine, but we should not call that a farm program either.

Mr. President, this bill is designed to work toward a farm program for farmers, and I think that is a reasonable objective.

The PRESIDING OFFICER. All time has expired on the amendment. The question is on agreeing to the amendment offered by the Senator from Illinois and the Senator from Delaware. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT (when his name was called). On this vote I have a pair with the Senator from Maryland (Mr. MATHIAS). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore I withhold my vote.

Mr. GRIFFIN (when his name was called). On this vote I have a pair with the Senator from Nebraska (Mr. CURTIS). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. HUGHES (when his name was called). On this vote I have a pair with the Senator from Wyoming (Mr. McGEE). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished senior Senator from Georgia (Mr. RUSSELL). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore I withhold my vote.

Mr. PACKWOOD (when his name was called). On this vote I have a pair with the Senator from Texas (Mr. TOWER). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. SAXBE (when his name was called). On this vote I have a pair with the Senator from California (Mr. MURPHY). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. SCOTT (when his name was called). On this vote I have a pair with the distinguished Senator from South Dakota (Mr. MUNDT). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. INOUYE (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Indiana (Mr. HARTKE). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota Mr. McCARTHY), the Senator from Wyoming (Mr. McGEE), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea."

On this vote, the Senator from Oklahoma (Mr. HARRIS) is paired with the Senator from Rhode Island (Mr. PASTORE). If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from New York (Mr. GOODELL), the Senator from Idaho (Mr. JORDAN), the Senator from Oregon (Mr. HATFIELD), and the Senator from Vermont (Mr. PROUTY) would each vote "yea."

The respective pairs of the Senator from Nebraska (Mr. CURTIS), the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. MUNDT), the Senator from Texas (Mr. TOWER), and that of the Senator from California (Mr. MURPHY) have been previously announced.

The result was announced—yeas 21, nays 44, as follows:

[No. 296 Leg.]

YEAS—21

Bayh	Gore	Proxmire
Boggs	Hart	Ribicoff
Brooke	Javits	Schweiker
Byrd, Va.	McIntyre	Smith, Ill.
Byrd, W. Va.	Nelson	Spong
Case	Pell	Williams, Del.
Cook	Percy	Young, Ohio

NAYS—44

Aiken	Dole	Gurney
Allen	Dominick	Hansen
Allott	Eagleton	Holland
Anderson	Eastland	Hollings
Bellmon	Ellender	Hruska
Bible	Ervin	Jordan, N.C.
Burdick	Fannin	Long
Church	Fong	McClellan
Cooper	Fulbright	McGovern
Cranston	Gravel	Metcalf

Miller	Smith, Maine	Talmadge
Mondale	Sparkman	Thurmond
Montoya	Stennis	Yarborough
Muskie	Stevens	Young, N. Dak.
Pearson	Symington	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—8

Bennett, against.
Griffin, for.
Hughes, for.
Inouye, against.
Mansfield, for.
Packwood, for.
Saxbe, for.
Scott, for.

NOT VOTING—27

Baker	Hatfield	Mundt
Cannon	Jackson	Murphy
Cotton	Jordan, Idaho	Pastore
Curtis	Kennedy	Prouty
Dodd	Magnuson	Randolph
Goldwater	Mathias	Russell
Goodell	McCarthy	Tower
Harris	McGee	Tydings
Hartke	Moss	Williams, N.J.

So amendment No. 883 was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following address, which was delivered by the Senator from Alabama (Mr. ALLEN) earlier today, is printed at this point in the RECORD by unanimous consent.)

Mr. ALLEN. Mr. President, I rise in support of H.R. 18546.

This bill comes to the floor after much deliberation and consideration by our Senate Agriculture Committee. Although the legislation does not contain all of the provisions which I feel are needed to round out our farm program, it is a good bill and basically a sound bill. It is a bill which will continue support for many of the tried and proven programs of American agriculture.

May I say that in this bill there is much of the experience and much of the wisdom of the senior Senator from Louisiana. The farmers and farm families of America have no greater friend than ALLEN ELLENDER. His name stands near the top of any rollcall of Senators who have sponsored and worked and voted for farm programs such as price supports on basic farm commodities, soil conservation, farm credit, farm housing, and the school lunch program.

Through the years, the distinguished Senator from Louisiana has been a most effective and eloquent spokesman in the battle to enable the farmers of our Nation to obtain their fair share of the national income and to enjoy the fruits of American prosperity.

Mr. President, American agriculture is the marvel of the civilized world. It is a remarkable fact that less than 5 million farm producers have fed and clothed 200 million Americans and fed and clothed them better than any people have been fed and clothed in all the history of the world.

It almost goes without saying that most of us today are feeling the effects of the high cost of living and consumers are telling each other about how much they spend at the grocery store. Yet, food continues to be one of the best buys around. For this we have the American farmer to thank. His use of advanced production know-how has enabled him to grow more and better food on fewer acres with a smaller input. The application of ever-better harvesting and marketing practices has put more food on the shelves, provided surpluses for food programs for the needy, provided farm commodities for huge exports, and has built up reserve stocks sufficient to meet emergency needs.

The unparalleled genius of the American farm producer has resulted in a rate of increase in farm efficiency in the past two decades which has surpassed that in nonfarm industries. Productivity of the American farmworker increased at a rate of 6 percent in the 1960's while other industries showed an increase rate of only 3 percent. The American farmer today produces 20 percent more on 6 percent fewer acres than he did in the 1957-59 period. I am sure it will be of interest to the Senate to know that in the 18th century, Adam Smith, the renowned economist, made a prediction that flabbergasted the people of his day. He said:

> When the time comes that one farm worker, through improvement and cultivation of land, can provide food for just two people, the labor of half of the society will be able to provide food for the whole society. Then and only then can the other half of the people be employed in providing the other the wants and fancies of mankind.

I wonder, Mr. President, what Adam Smith would say if, through some process of reincarnation, he could be brought back among us for a while to view the amazing record of agricultural production and to learn that instead of half the people producing for the other half, the American farmer today can produce for himself and 44 others.

As the farmer's inputs have decreased, his capital outlays have risen sharply. To replace man-hours, the farm producer buys more machinery, chemicals, and other commercial products. Agriculture generates jobs for more than 30 percent of our work force, either by providing the raw material on which they work, or by providing the market for the products that they produce.

Farmers are responsible for buying nearly $37 billion in production goods and services each year. The American farmer annually purchases about 5 percent of our steel production and 2½ percent of our electricity. In dollars and cents, he buys nearly $2 billion worth of lime and fertilizer products and more than $4 billion of petroleum products. From an investment standpoint, agriculture's total assets of $298 billion is equal to two-thirds of the value of the current assets of all corporations in the United States.

Yet, Mr. President, while the farmer's importance to our economy is generally underrated, his relationship to the increased cost of living is vastly overrated.

Today the American consumer spends only 16.5 percent of his disposable income to buy food. In Western Europe the comparative figure is between 20 and 25 percent and in Russia between 40 and 50 percent. In the Far East the consumer spends as much as 75 or 80 percent of his disposable income for food.

But, Mr. President, all too often, it is the farmer who is blamed for the increase in the price of bread or potatoes or cornflakes. According to reports from the U.S. Department of Agriculture for 1969, however, we find that the farmer is the person least responsible for increased food costs. Using the items I have just mentioned, let me point out just how much is returned to the farmer for what the consumer pays for these staples.

Out of a 23-cent, 1-pound loaf of bread, the farm share in 1969 was 2½ cents.

From 10 pounds of potatoes that averaged 82 cents, farmers received 24 cents last year.

In 1969, farmers received 2.6 cents from a 12-ounce box of cornflakes that cost an average of 31 cents to the housewife.

The American farmer received an average of 39 cents on the dollar consumers spent for domestic farm foods in retail food stores during the second quarter of this year. This was 2 cents less than in both the previous quarters and all of last year, and down from 50 cents in 1947 when a dollar went much further.

The true story, of course, is that it is the middleman, not the farmer, who has gained the most from any increase in food prices. The farmer produces our food, but it is the middleman who transports it, wraps it, and displays it in tune to the demands of the consuming public. A revealing measure of the ever-decreasing share of the farmer in the overall amount spent by the consuming public for food is contained in a table published by the U.S. Department of Agriculture Economic Research Service, which I ask unanimous consent to place in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FARM-FOOD MARKETING BILL AND FARM VALUE OF FOOD BOUGHT BY CIVILIAN CONSUMERS, 1947-69

[In billions of dollars]

Year	Farm value	Farm-food marketing bill
1947	$19.3	$22.6
1948	19.9	24.9
1949	17.4	26.0
1950	18.0	26.0
1951	20.5	28.7
1952	20.4	30.5
1953	19.5	31.5
1954	18.8	32.3
1955	18.7	34.4
1956	19.2	36.3
1957	20.4	37.9
1958	21.5	39.5
1959	20.9	42.2
1960	21.7	44.2
1961	22.0	45.1
1962	22.4	46.9
1963	22.6	48.9
1964	23.4	51.2
1965	25.5	52.1
1966	28.1	54.7
1967	27.3	57.5
1968	28.9	60.6
1969 [1]	32.2	63.7

[1] Preliminary

Source: U.S. Department of Agriculture Economic Research Service.

Mr. ALLEN. From the foregoing chart, Mr. President, we see that the farm value of the total farm-food marketing bill has risen only 67 percent since 1947; yet, during this time the farm-food consumer's bill has increased nearly 200 percent.

Meanwhile, our farmers are paying the highest expenses in history. In 1948, gross farm income was $34.7 billion compared to $54.6 billion in 1969. But net income was $15.9 billion in 1948 compared to only $16 billion in 1969. This is because farm expenses soared from $18.7 billion in 1948 to $38.5 billion, or more than double, in 1969.

Simply stated, Mr. President, these statistics show that the American farm producer is still not yet receiving a fair share for his contribution to our economy and that he is caught in a vicious cost-price squeeze. I have heard it said that the farmer is the only producer who has to buy everything at retail and sell everything he produces at wholesale. Anyone would be hard pressed to show from these figures, Mr. President, that the farmer is getting rich on either Government subsidies or anything else.

It is appalling to me that the goal of gaining access to the economic mainstream still evades our farm people. Equally distressing to me is the distorted image of agriculture and the difficulties of getting the true picture of agriculture across to the nonfarm people of our Nation. It is downright despicable the way much of the national news media deliberately belittles, belies or otherwise fails to relate to the urban public the favorable and positive side of farming and how very important it is to maintain a stable farm economy.

Consequently, Mr. President, a large percentage of the public is unaware that we are facing a farm crisis today which is simmering to a boil and that, as consumers, they have as much at stake in farm problems as the farmers themselves. Yes, because we often see perfidious newspaper headlines or hear sensational radio and television reports about agriculture in general and farmers in particular, expressions such as "farmers are getting rich off the Government" seem to be gaining wider acceptance daily.

This seemingly deliberate and concerted attack on agriculture by many of the big city newspapers, national magazines, and radio and television commentators is selfish, reckless, and irresponsible. What the mass news media should be extending to the American farmer is understanding, not indifference; faith, not cynicism.

A typical example of pharisaical journalism concerning our agriculture program was exhibited in the May 1970 issue of Reader's Digest magazine in an article calling for an end to farm subsidies. The Reader's Digest not only failed to tell the whole truth about our farm price support programs, the article was patently anticotton.

I shall not dignify the Reader's Digest article by placing it in the RECORD. As I have previously stated the article appeared in the May 1970 issue of that magazine and I have copies of the article here at my desk should any Senator be interested in seeing it. I do, however, wish to call to the attention of the Senate and insert in the RECORD at this point a very excellent rebuttal of the Reader's Digest article which appeared as an editorial in the July 1970 issue of the Progressive Farmer magazine, one of the most distinguished publications in America.

The editorial is entitled "They Didn't Tell 'The Whole Truth'." I ask unanimous consent that this splendid editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEY DIDN'T TELL "THE WHOLE TRUTH"

What a shame publication with the potential for good of *Reader's Digest* (they claim the largest magazine circulation in the world) should stoop to gross misrepresentations and half-truths in an attempt to destroy farm price supports. We are referring, of course, to the article "Time To Say *No* to Big Farm Subsidies" in their May issue.

It's obvious from the article that *Reader's Digest* editors aren't just opposed to "big farm subsidies" but to *all* farm subsidies. Why do we say this? Because the article is predicated entirely on costs. Nowhere is any credit given to farm programs for stabilizing the farm economy or the spectacular benefits to consumers of cheap, wholesome food and fiber.

We will not attempt to answer the *Reader's Digest* article item by item. To do so would take more of your reading time and our writing time than it justifies. But perhaps a point or two will help brand the article for what it is.

Item: "Over the years, by rigging the payment programs and acreage allotments, 'cotton men' have so fattened up the subsidy that cotton producers now draw half their gross income from the U.S. Treasury. . . ."

Elsewhere, charging Chairman Bob Poage of House Agriculture Committee, and a 33-year veteran in Congress, with withholding action on the food stamp program to get concessions on payment limitations, the article quotes Representative Paul Findley of Illinois: "He's holding the hunger program hostage, in order to corral votes for his $2 billion for cotton."

Fact: USDA figures show sales of cotton and cotton seed totaled $1,211,000,000, Government payments to cottongrowers to have been $827,000,000 in 1969. Payments to cottongrowers were *not $2 billion* and *not half the gross*, only 41%.

In another slap at the South, the article stated: "Out of some 250 U.S. farm commodities, only cotton, peanuts, sugar, rice, tobacco, feed grains, and wheat—40% of total farm sales—are subsidized and controlled. . . ."

Words to watch here are *and controlled.*

The most direct farm subsidy we have is on wool—going predominately to Western flockowners. But since there are no surplus problems with wool, there are no controls. That makes the wool program no less a subsidy, though.

Price support loans on soybeans and dairy products are made with Government funds and to that extent these commodities are subsidized. Federal purchases of food products in surplus—eggs, beef, pork, honey, beans, peas, pecans, and many others—for school lunch programs, food for the needy, foreign aid, and other charitable programs constitute subsidies, both to the producer and to the recipient. The fact that these products aren't "controlled" seems irrelevant. What is relevant is that *Reader's Digest* did not tell the whole story.

Perhaps we are exaggerating the damage this article can do. We are living in a time of slanted news and planted propaganda. Vice President Agnew said it; Howard K. Smith said it; *Reader's Digest* is helping prove the point. But, we doubt that many people of influence, least of all Congressmen, are readily taken in by distortions and half-truths.

Like the football coach said: "Our best defense is our offense." We need to continue telling our story of how well farmers are feeding the other 95% of the population, with some to spare, at the least cost ever in workingtime to purchase. These facts aren't even arguable.

Mr. ALLEN. In addition, Mr. President, what the Reader's Digest deliberately, or conveniently if you prefer, failed to mention is that it enjoys a mail subsidy each year which is by far and away higher than any producer receives under the farm price support program. My fellow Alabamian, Postmaster General Winton Blount, recently advised me that the total costs of operating the postal services for the 1969 fiscal year were made up of more than $3.6 billion of direct costs and another $3.6 billion of indirect costs. The Postmaster General further advised me, and I quote from his letter:

In the fiscal year 1969, the direct costs to the Department for regular rate publications, including Reader's Digest were $238.8 million. The revenues brought in by this category during that period were $122 million for a loss of $116.8 million. Only 51.1 percent of the direct costs were covered by revenue and none of the indirect costs.

It appears that Reader's Digest and certain other segments of the mass news media want the public to think that only the farmers are receiving a Government subsidy. Or perhaps they are anxious to steer people's minds away from the fact that they themselves get a flow—a continual flow—of taxpayers' money in the form of a mail subsidy. I say that publications should, under some type of fairness doctrine, also be responsible enough to tell the truth about themselves when they write about payments made to our farmers.

Another point which the mass news media so often fails to tell the public is that programs comparable to the farm support program exist for other businesses and have for many years.

Mineral producers are protected by government purchases, import quotas and tax concessions.

Outright subsidies go to many industries, such as airlines, railroads and shiplines.

Payments for cost overruns seems to have almost become a fact of life for many defense industries, but farmers cannot fall back on the Government for their cost overruns.

And, of course, to this list we can add the publishing houses and bulk mailers of unwanted junk mail.

We are forced to realize that when one large economic group—such as the farmer—suffers, many other economic groups suffer. The ginners, warehousemen, merchants, farm laborers, business, and professional people and others whose endeavors and livelihoods depend upon or are directly related to the successful functioning of a productive agricultural economy are also sharply affected by drops in farm income.

I have in my hand, Mr. President, the August economic report of the First National Bank of Florence, Ala., and in it the story is told of how the depressed income and reduced purchasing power of our farm people today are inevitably passed along to industry and business in the form of reduced demand for consumer goods and loss of sales. The results are curtailed production, unemployment, and a weakening of the Nation's economy.

I ask unanimous consent to have printed in the RECORD at this point the article to which I have just referred.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ECONOMIC TRENDS AND THEIR IMPACT ON BUSINESS

Farmers pull in their horns, too—Consumers and businessmen are not the only ones cutting back expenditures; the nation's farmers have likewise drawn their purse strings tighter.

Merchants in the nation's Farm Belt have been suffering even longer than their city cousins. Sales of farm equipment started to plunge as early as last year.

After reaching a peak in 1968, volume skidded 10% to $4.4 billion in 1969. So far this year, the sales curve is running even lower.

The decline in farmers' purchases of equipment has been largely in tractors. The Farm and Industrial Equipment Institute reports that first-quarter 1970 tractor sales slid 11% behind year-ago, following sales declines of 10% in the full year 1969, and 12% in 1968.

Harvesting machinery is moving more sluggishly, too. Purchases of combines dropped 18% in this year's first quarter, after declining an average of 20% in each of the two previous years.

Unit sales of major types of farm equipment had actually been in a downslide for several years. But until 1969, rising prices more than offset these drops—producing increased dollar volume. Since 1969, however, the loss has extended to dollar sales as well.

Agricultural economists point out that usually gross farm cash receipts are a major determinant of what farmers will spend on equipment. This being the case, you would expect more—not less—to be spent, since gross receipts have been in an accelerating uptrend since 1968.

But the relationship has broken down this time around. The reason: almost all of the increase in total farm receipts since 1968 has resulted from higher livestock prices. Income from grains has fallen sharply.

Obviously, the need for machinery is greater among grain farmers than among those who make a living principally off livestock. The combination of reduced demand for most grains, coupled with increased participation in government programs that call for idling acreage has, in turn, reduced the demand for new sources of mechanical power.

Tight money has affected sales, too. Unlike general operating or feeder animal loans, which usually mature in one year—hence are relatively easy to obtain—loans for farm machinery usually run from three to five years. These types of loans are usually among the first to become scarce.

Finally, the softening in the farm real estate market has contributed to reduced equipment purchases. The Federal Reserve Bank of Chicago reports that farmland values in its district have declined for the first time in nine years.

Because farm equipment and farmland are joint inputs, it is easy to see how reduced real estate demand can hit equipment sales. Many farms are too small to utilize newer, more efficient machines. To increase productive capacity, more land must be acquired, and when such acquisitions are blocked, machinery purchases may be delayed.

Mr. ALLEN. These unhappy facts cannot be regarded as mere statistical data. These figures speak much more, particularly when they are translated into the practical realities of stark tragedy for thousands of men, women, and children whose hopes and aspirations for a decent standard of living are inseparably tied to the soil. These are statistics of a pending economic catastrophe if we do not take steps immediately to improve and maintain farm income.

Mr. President, I believe that the Senate version of H.R. 18546 embodies the provisions that would give the protection needed by our farmers in their quest to attain and enjoy an income and standard of living on a par with their fellow citizens. These important objectives simply cannot be achieved by the administration-backed farm bill which was passed in the House last month. This truth is self-evident when it is recognized that not a single major farm organization has endorsed, or even spoken favorably of, the bill as sent to the Senate as being able to maintain farm income.

In the area of cotton, the House bill would destroy parity, eliminate marketing quotas and take away from growers the opportunity to balance supply with demand. These are time-honored, time-proven principles which our farmers have cherished ever since the farm bloc in Congress under the leadership of the late Edward O'Neal, of Alabama, then president of the American Farm Bureau, persuaded Congress to write them into law nearly four decades ago.

Parity is important because it is the only effective yardstick whereby farm prices are stipulated in a manner that reflects the continuous costs of production and the effects of inflation. In other words, the difference between farm prices and farm costs. Supply control is equally important because under our free enterprise system no business, whether it be farming or floor tile, can long succeed if it consistently produces more than can be sold at a fair price.

Frankly, Mr. President, I am having some difficulty in determining the real position of the Nixon administration in the area of parity. Two years ago, on September 14, 1968, to be specific, then candidate Richard Nixon in Des Moines, Iowa, said:

> Seventy-four percent of parity is intolerable in my book; farmers are entitled to better, and I pledge that in my Administration they will have better.

Normally, I suppose one could dismiss these remarks as campaign rhetoric. But on July 24, 1970, now President Nixon told an audience in Fargo, N. Dak., that he was "for 100-percent parity for wheat."

I would like to remind the President that last month prices received by farmers declined 3 percent—the sharpest 1-month price drop in 22 years. Farm operating costs on the other hand, remained at near-record highs with the result that the parity ratio plummeted to 71 percent.

I would further remind the President that the House bill which his administration is supporting would tie the future of parity levels to the world market. Loan and purchase price levels would be set between zero and 90 percent, thus the Secretary of Agriculture could slash price support floors to zero on feed grains, wheat and cotton.

And finally, I would like to remind the President that on August 31, 1970, the Secretary of Agriculture with Budget Bureau approval wrote our Senate Agriculture Committee objecting to the Senate bill's adherence to the parity concept. In fairness, let me say that it may very well be the President subscribes to one position in connection with the concept of parity and that bureaucrats in the Agriculture Department and the Budget Bureau subscribe to another. But as I interpret article II of the U.S. Constitution, the President is supposed to be the boss of the executive branch and, therefore, it would be my suggestion that he convey his wishes regarding parity to his assistants post haste.

Beyond the unfair economic aspects of the House bill, the set-aside program would require cotton producers to idle up to 33⅓ percent of their cotton allotments without any compensation and without any assurance that they would be able to use this land for any other purpose. In testimony before our Senate Agriculture Committee it was repeatedly demonstrated that this proposal would decrease farm income.

It was shown that the set-aside proposal coupled with the freedom to plant feature was a step away from marketing controls and would increase farm surpluses comparable to the disastrous era of Bensonism. The committee recognized that the huge majority of farmers would not make any change in their planting histories and, therefore, the proposal would not give the farmer the freedom of decision and flexibility that had been so widely acclaimed by set-aside proponents.

Marketing quotas, which is a means of controlling farm acreage allotments has been the primary ingredient of farm programs since their inception. Because of the present supply and demand situation in the cotton industry we must continue to use this valuable tool in order to assure an adequate supply of cotton and at the same time prevent a costly and damaging surplus such as we have seen in the past. I do not agree with the argument that elimination of marketing quotas, thus allowing unlimited planting of cotton, is the proper way to reduce cotton production costs. Let me suggest that the most efficient way for any producer to reduce production costs is that he be able to accurately anticipate production needs for the longest period of time possible. Stable acreage allotments coupled wth a guaranteed minimum price, both provided for in the Senate bill, enable farmers to adequately plan production inputs thus obtaining an efficiency which could not be otherwise attained.

Alabama farmers have long shown by their votes—I do not mean in an election race—that they believe in marketing quotas. In 1968, a total of 28,745 Ala-

bama cotton producers voted for cotton marketing quotas in the agriculture referendum provided by the act, and only 1,074 voted against quotas. In other words, a ratio of 28 to 1 favored the marketing quotas which the present administration seeks in its proposal to do away with.

Mr. President, my interests are not limited to a single commodity. They extend to every segment of the farm program. The Senate version of H.R. 18546 is clearly more favorable to all commodities, but I am restricting the majority of my discussion to cotton because of its extreme importance to the economy of Alabama.

The Senate bill ties cotton payments to parity. The national acreage allotment for cotton will be 14.5 million acres, but the Secretary of Agriculture may increase this figure by up to 25 percent if he determines it necessary to assure an adequate supply. Cotton farmers may substitute feed grains, soybeans, or wheat for cotton, if wheat or feed grain producers are permitted to do so.

Under the Senate bill the loan level will be for 1 year at 90 percent of the world market price of cotton in the 2 preceding marketing years. The loan plus the payment will be 35 cents a pound or 65 percent of parity, whichever is greater. The initial payment will be 15 cents a pound and will not be reduced, whatever the final payment is determined to be.

Mr. President, a most significant feature of the Senate version of the farm bill is that income of farmers is supplemented for producing cotton, not for not producing it. I think that is a concept that the Senate of the United States will approve—not to pay for not producing a crop, but to help subsidize the production of the much needed crops and to subsidize that and not the failure to plant. So the Senate bill does provide for supplemental payments to encourage the planting of cotton. It makes no payment whatsoever for not planting cotton.

In addition, the payment will be 30 percent higher for small cotton producers whose average gross sales of farm products in the preceding 3 years were $5,000 or less and whose annual off-farm income in the preceding 3 years is $2,000 or less. A small cotton producer is defined in section 602 of the bill as one whose farm acreage allotment is 10 acres or less. Certainly, they would be classed as small farmers.

I regret that the administration is opposed to this proposal. In Alabama, 43,772 farms have cotton allotments of 10 acres or less. I am sure that the overwhelming majority of these Alabama farmers were astonished by Secretary Hardin's declaration concerning this proposal "that poverty in agriculture should be dealt with through the President's family assistance plan." Frankly, I am disturbed when the chief spokesman for farm people in America proposes to relegate a portion of them to the status of welfare recipients and endeavors to shunt them, as cattle into a corral, off to the Department of Health, Education, and Welfare. The income problems of our small farmers deserve more consideration and efforts to strengthen the economic position of small farmers who desperately want to continue their farming operations and be self-sustaining should come from the Agriculture Department. I am not aware of anyone down at HEW whose mission is to restore purchasing power to agriculture.

The cotton section of the bill provides that the set-aside shall not be over 12½ percent of the farm acreage allotment. With respect to sale, lease, or owner transfer of farm acreage allotments, the bill retains the same provisions of the 1965 Farm Act except that the referendum for out-of-county transfers is eliminated. The person acquiring the allotment, however, must be dependent on cotton farming for his livelihood and must give assurance that the full farm base acreage allotment will be used.

As we know, both the Senate and House versions of the farm bill limit payments under the wheat, feed grain, and cotton programs to $55,000 on a per farm, per crop basis. I regret the considerable misunderstanding and controversy which has occurred over farm payments. The big demand for a payment limitation is based on the charge that many big farmers are getting rich off Government payments and that the producer is being paid not to grow. This is not true. There are undoubtedly some abuses in the program, but many of these producers are having a difficult time making ends meet even under the present program. In addition, the program is structured to subsidize the commodity, not the farmer. Thus, the farmer who produces the most qualifies for the biggest price support or production payment. In other words, the program of farm payments until now has treated all farmers fundamentally alike. It has provided payments in direct ratio to the volume produced or the amount of land diverted from production.

The issue of payment limitations and how farm payments have made the farm program workable was the subject of an editorial in the September 1970 issue of the Progressive Farmer. I commend the editorial to the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Progressive Farmer, September 1970]

PAYMENT LIMITATIONS—A BLOW TO U.S. AGRICULTURE

Congress seems determined to make the already critical cotton situation even more serious. Certainly if the $20,000 limitation on farm payments, as voted by the Senate on July 8, becomes law, the impact on the nation's cotton economy will be devastating.

Such a limitation would be a low blow to many cotton producers. But its effect would vary radically from one area to another. Little harm would be done in North Carolina, for instance, where the average cotton allotment is less than 25 acres. On the Texas High Plains, 10% to 20% of the area's growers would suffer reduced income. Total farm payments in this area would be cut 25%, and a like percentage of production would be affected. But in Arizona, the impact would be disastrous. About half the state's domestic allotment would not qualify for payment.

Overall, the $20,000 limitation as voted by the Senate would adversely affect cotton farmers who produce 4 million bales annually. And it would make it senseless from an economic standpoint for a farmer to grow more cotton than is covered by the payment limitation.

The limitation also applies to wheat and feed grains. To the extent he grows not only cotton but these other crops, a producer would be hurt even more.

The demand for a payment limitation is based on the wrongheaded conclusion that big cotton farmers are getting rich off Government payments. This is not true. Many of these growers are having a hard time breaking even at present payments, even without limitations.

The purpose of the direct payment plan, under which the cotton program operates, is to keep market prices at a low level so that U.S. cotton can compete successfully in domestic and world markets with foreign cotton and manmade fibers. Under such a program, a considerable part of the producers' income must of necessity come from Government payments. But producer income from cotton program payments is *earned* income. It costs money to idle high-priced land from which the owner must forego income while continuing to pay taxes and maintenance costs.

A payment limitation is incompatible with the American economic system which is based on fair pay for work performed. It would disrupt most phases of agriculture and deny many agricultural producers a just return on their labor.

If big producers are forced out of the program by payment limitations and continue to grow cotton, this means that more land must be taken out of production by small operators if the program is to succeed.

Finally, a limitation places a penalty on size and efficiency. It would serve notice to farmers that their Government will penalize them if they become big by becoming efficient.

Even though farm payment limitations of any sort are fundamentally wrong, Congress seems determined to go ahead with them regardless of consequences. This being the case, Congressional farm leaders should exert themselves to put the limits high enough to allow practically all farmers to escape them. Limitations should apply to individual crops rather than cover total payment for all crops.

At one time, it seemed Congress might agree to a variable limitation ranging from $20,000 to a maximum of $110,000 per crop. But that hope has "gone with the wind." A $55,000 limitation per crop now seems the best that can be expected.

Farm programs should be designed to give efficient farmers with economic units of land and capital a fair shake. It is these operators, the backbone of U.S. agriculture, who will give us our food and fiber at fair prices in the years ahead, They should not be hamstrung with payment limitations, if by reason of their efficiency they are now or later to become *big* farmers.

Mr. ALLEN. Mr. President, I do not wish to belabor the matter of payment limitations. I do want to point out, however, that the $55,000 figure was arrived at by our committee by the most careful analysis. It was determined that $55,000 was the minimum limit which would keep the efficient producer in the farm program.

Mr. President, today the demand for food and fiber is greater than ever before. People are eating more, and more people are eating. There are about 70 more people sitting around the American family table now than when I started this speech. This time tomorrow there

will be 6,500 more. That adds up to over 2 million a year. And the world population increases that much every month. These are mouths that must be fed if democracy is to continue to flourish at home and be strengthened and extended abroad.

Shall we eat and wear less in the days to come, or shall we raise more products as the need for them arises? The answer is obvious. This will present an even greater challenge to the American farmer who up until now, has been able to sustain us by providing us, often at sacrifice to himself, with the food and fiber necessary to life itself. But the continued ability of our farmer to feed and clothe the growing population of our Nation and much of a hungry world is contingent upon a sound and sensible agricultural policy which will maintain and improve form income.

We must never forget that the strength and prosperity of agriculture is basic to the strength and prosperity of our country. In times of crisis and war, the American farmer has toiled selflessly to produce the goods to meet the needs of the hour. The farmer has never failed our country, and now the country must not fail him.

Mr. CHURCH. Mr. President, I wish to give a short explanation of why I cast my vote against the amendment on which the Senate has just voted.

A few weeks ago, I voted in favor of a $20,000 ceiling on farm price supports. Tonight, I voted against a $20,000 limit in order to support the committee's recommendation that the ceiling be set at $55,000 instead.

My reason stems directly from the legislative history on this question. In recent months, we have seen the House of Representatives establish a limit on farm supports, only to have it rejected by the Senate; and we have seen the reverse. The Senate has approved support limitations which, in turn, have been rejected by the House.

Now, for the first time, the Agriculture Committees of both the Senate and the House have agreed on a common figure, which will set, again for the first time, a statutory ceiling on price supports.

I think it best, under these circumstances, not to tamper with the committee figure, for fear that if we change it now, we shall once more risk falling between two stools and end up with no ceiling at all.

AMENDMENT NO. 891

Mr. PERCY. Mr. President, I call up my amendment No. 891.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Illinois (Mr. PERCY) proposes an amendment, for himself and Mr. SMITH of Illinois, identified as No. 891.

The legislative clerk read as follows:

On page 69, at line 15, insert the following after the period: "*Provided,* That the payment rate with respect to any producer who, during the three-year period immedately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

On page 87, at line 10, insert the following after the period: "*Provided,* That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

Mr. PERCY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. How much time does the Senator from Illinois yield himself?

Mr. PERCY. Mr. President, I yield myself 5 minutes. I do not feel that it will require the full 15 minutes on the proponents' side for this amendment. It is a very simple amendment. I understand that it will be opposed by the distinguished chairman of the Committee on Agriculture and Forestry, so I have asked for a rollcall vote.

I think this amendment could be called the "poor farmers" amendment. But it also could be termed the "Let's deal with all farmers equitably, uniformly, regardless of where they live in the country, and regardless of what crops they grow" amendment.

We have heard a great deal in this body about having our laws uniformly applied across the country; and it is for that reason that I ask, when the Senate Agriculture Committee bill provides that cotton farmers with less than $5,000 annual farm sales and less than $2,000 off-farm income shall have their payments increased by 30 percent, then I would ask, How about other farmers?

It does not matter whether you are a poor farmer raising cotton or a poor farmer raising corn or wheat, or whatever it may be. Why should we have discrimination in favor of cotton farmers, and not take into account that other farmers also have low incomes?

I think the poor corn farmers and poor wheat farmers are just as entitled to modest increases as the cotton farmers under similar circumstances. The Department of Agriculture estimates that this amendment would bring a maximum of $250 additional income per farmer. This is a very modest increase, and a matter of simple equity for the farmer who does not grow cotton.

Poverty is not confined to those who grow one crop. The 30-percent extra payment provision should apply to all farmers across the country in the same circumstances.

As I understand it from Secretary Hardin, who wrote a letter to the Senator from Louisiana (Mr. ELLENDER) on August 31, it is estimated that the cost of the small farm 30 percent extra payment for cotton growers will be $10 million. The Department of Agriculture estimates that feed grain farmers would receive $630,000, and wheat farmers $375,000, for a total of $1,005,000. So the payment ratio for wheat and feed grain farmers is about 1 to 10 as against cotton.

I do not object to that at all: Poverty is poverty, wherever it occurs. We have a great deal of it in parts of my State. There is a great deal of it in parts of other States. I think that when we are trying to correct a condition of poverty before we have some sort of a family assistance program which will uniformly handle all types of poverty, regardless of whether you are an unemployed laborer, a farmer, or whatever it may be, until we enact legislation that affects all families, as long as we intend to pick out one group of farmers, I think it only fair that we take a look at other farmers as well, and provide for them in this bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. AIKEN. I ask the Senator, what consideration has been given to the annual off-farm unearned income?

Mr. PERCY. So long as the farmer does not earn more than $2,000 of off-farm income.

Mr. AIKEN. But I know quite a few people who live on a farm who sell less than $5,000 from the farm, but perhaps have an income of $50,000 from investments, stocks and bonds, equities, trust funds, and so forth. What about them?

Mr. PERCY. Mr. President, I have simply taken the language from the Senate Agriculture Committee's bill affecting cotton farmers, and I would ask the same question of the members of the Committee on Agriculture.

Mr. AIKEN. I think it is a good question to ask of them, too.

Mr. PERCY. I am trying to put other farmers on the same basis as the Committee on Agriculture and Forestry has put cotton farmers.

Mr. AIKEN. But this would provide the 30-percent extra payment for wealthy retired people in some instances.

Mr. PERCY. Well, the reference is to other income, regardless of source, so that if it is other income from stocks and bonds, I presume that is calculated for cotton farmers also.

Mr. AIKEN. Why not cut out the word "earned," so that it will apply to all income?

Mr. PERCY. I kept the language, I believe, exactly as it appeared in the committee bill.

Mr. AIKEN. Maybe we can take care of that in conference, because certainly anyone with a $100,000 income should not be subsidized in this fashion.

Mr. PERCY. I would be agreeable to that, if the committee will cut out the words "earned income" on page 106, line 9, as it affects cotton farmers. I have taken the same language: "Earned income."

Mr. AIKEN. Well, if a cotton farmer who would sell less than $5,000 worth, but had $50,000 worth of unearned income, could get the 30 percent extra, I agree it is only fair to extend the provision to other producers. If the word "earned" were taken out of this amendment I would try, for one, to see what we could do toward taking it out of the cotton provision in conference, because I am sure the members of the Committee on Agriculture and Forestry do not want

to subsidize men who have retired with large incomes.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. PERCY. I yield 2 minutes to the distinguished Senator from Iowa.

Mr. MILLER. Mr. President, I think we ought to point out to the Senate that some of what the Senator from Illinois is getting at is already provided for on page 123. This is an amendment that I offered in the committee, which was unanimously adopted by the committee, and the Senator from Illinois will observe that it covers all farmers, regardless of what price-support commodity they are growing.

In addition to this provision, it is evident that there is a provision covering the small cotton farmer, but the provision on page 106 goes beyond the definition that the Senator from Illinois is using in his amendment with respect to wheat and feed grains farming; and, starting on line 12, the Senator will note that in the case of cotton farmers, the amendment is delimited to those who are on a small farm, with an acreage allotment of 10 acres or less, and there are other limitations which the Senator's amendment does not parallel in the case of wheat and feed grains.

I do not mind saying to the Senator from Illinois that I think he has a point, but I think the point is pretty well covered in the amendment to which I have referred, which the committee adopted.

Mr. PERCY. I thank my distinguished colleague, because he did make a very valuable contribution to the bill now under consideration.

But I would like to point out that, as provided by the distinguished Senator's amendment which he offered to this bill, the Secretary of Agriculture is authorized to carry out an agreement with any farmer—that is true—who has less than $5,000 of annual sales or less than $2,000 of off-farm income. However, that farmer must make an agreement with the Secretary which can include the surrender of acreage allotments in exchange for cash and, second, adjustment assistance not to exceed $2,500 a year for a period not to exceed 1 year. The purpose is to get people out of farming. I want to help poor farmers who want to decide to stay in farming. The distinguished Senator's amendment appears to be a method of weaning the farmers off the farm and making an agreement with the Secretary to get off the farm.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. MILLER. That is precisely the intention behind the amendment to which the Senator just referred. It is cruel to keep them in a submarginal condition, and I think that with the Federal Government's assistance they can be moved into a different type of activity where they can be productive citizens.

I think the trouble with the cotton amendment is that it tends to lock people in. I do not want to just have them stay there forever more. I would like to see them move out. I think the cotton amendment plus my amendment will help them move out.

I must repeat that the Senator's amendment is not parallel to the small cotton farmer amendment. If he wants to parallel it, he is going to have to have something about a feed grains farmer or a wheat farmer with a certain amount of an allotment and other definitions similar to the ones used for the small cotton farmer, and he has not done that.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. I yield myself 2 minutes.

I think there is an acreage limitation of 10 acres for a cotton farmer. But I submit that I can put in the word "poor" instead of a limit of areas. Any farmer who has less than $5,000 of cash sales—that is not income, that is sales—or $2,000 of outside earned income is a poor farmer. It does not matter whether he owns a thousand acres of land. That man does not have the income.

If we are going to help poor farmers who raise cotton, then I submit it is fair and equitable to help poor farmers who raise other crops and a poor farmer is a man who has less than $5,000 sales or $2,000 of extra outside income.

I am happy to yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I agree with the Senator from Illinois. There is no reason to discriminate against those who produce wheat or feed grain. There should be equity.

I raised the question in committee whether we should have this section in the bill, because it amounts to a welfare program in a farm bill. I share the view of the Senator from Illinois, however, other commodities, other farmers, should be included and I intend to vote for the amendment.

Mr. PERCY. I appreciate that. I submit that it is a protection for the bill itself, because I, today, could not vote for this bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator has no further time.

Mr. ELLENDER. I yield the Senator 1 minute.

Mr. YOUNG of North Dakota. I yield the Senator 3 minutes on the bill.

Mr. PERCY. I thank the Senator.

I could not vote for it. This bill has been termed on the floor of the House by my distinguished colleague, Representative PAUL FINDLEY, as the Cotton Protection Act of 1970. He is not saying this in disparaging terms. He is saying it because the Senators from cotton States have well taken care of and provided for their interests, and their interests and constituents are cotton farmers. I am saying that if that is the right thing to do, what is good for the goose is good for the gander. If we are going to have the principle of taking care of the poor farmers, then let us take the onus away from this bill which it has gained in many parts of the country, and which I do not think the U.S. Senate would want to do. I am trying to make the bill more fair and equitable and put it in a position where I can vote for it.

A million dollars for the number of farmers we are talking about, spread at $250 per farm, is not very much, but it is more equitable than the bill now is.

I yield to the Senator from Kentucky.

Mr. COOK. May I say to the distinguished Senator from Illinois that I intend to support his amendment. With the problem the farmers in my State are having this year in relation to their corn crops, if we are really talking about being fair with the American farmer, this is the year to be equitable. This is especially so in view of the loss of the corn crop that we are going to sustain, and many farmers in western Kentucky have already plowed their crop up. This is one of the opportunities we have to see ourselves on a parity with cotton, with relation to the small feed grain farmers of the Commonwealth.

Mr. PERCY. Two days ago I was in Illinois with the head of the Republican Caucus, Representative JOHN ANDERSON. We visited cornfields. One can pick up ears of corn that do not weigh more than an ounce.

If a small farmer is stuck with corn blight, as are some farmers in southern Illinois, this bill would be a tremendous boon to help with a little additional income, to help out at a time of distress.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. YOUNG of North Dakota. I am in full agreement with the objective of the Senator from Illinois. I have tried for years to figure out some way to help the small wheat and feed grain farmers.

I note in the Senator's amendment that in the case of cotton and feed grains, he would increase the payments. In the case of wheat, he would increase the price support loan level by 30 percent, or from $1.25 a bushel to $1.52 a bushel. The small farmer would thus be encouraged to produce more wheat, and his only market would be the Commodity Credit Corporation.

I think the Senator ought to deal with cotton, feed grain, and wheat in the same way. As written, this amendment would create many problems.

Mr. PERCY. I feel that the amount would be so miniscule, as to the percentage, that it would not be worth worrying about.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 5 minutes.

Mr. President, the language in respect to the small cotton farmer has been in the law for quite a few years. The fact that we limit it to 10 acres or 3,600 pounds would indicate that a man who has but such a small production of cotton to plant is really and truly a poor farmer.

What the distinguished Senator from Illinois seeks to do is to give to every farmer, irrespective of the size of the farm—he could have 1,000 acres, 5,000 acres—a premium of 30 percent more pay, so long as his income is $5,000 on the farm and $2,000 on the outside. I do not believe that this $5,000 or $2,000 figure is applicable to a man who owns a 10-acre farm.

As was suggested earlier, if the distinguished Senator from Illinois would put a limit on the amount of land owned and cultivated by a farmer, somewhat similar to what the 10-acre cotton farmer has, I would have no objection to that. But to give a 30-percent increase in income to all farmers irrespective of the size of the farm, and simply to limit it to those receiving an income of $5,000 on the farm and $2,000 from other activities, I think is simply out of the question.

I am very hopeful that the Senate will reject this proposal. I wish to say that if the distinguished Senator from Illinois would limit the acreage somewhat in keeping with the small 10-acre cotton farmer, there would then be comity between them. But to make it apply to all farms irrespective of size, I do not think the Senate should vote for a proposal of that kind.

Mr. PERCY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. PERCY. Could the distinguished chairman of the Committee on Agriculture and Forestry tell me what the average acreage allotment is for a cotton farmer?

Mr. ELLENDER. There are many farmers with as little as an acre and a half or 2 acres planted to cotton. That has been in the law for quite some time. If the Senator would put in his amendment, say a limit of 25 acres for wheat and 25 acres for corn, there would be some sense to it, but to make it apply to all farmers, I think, is going too far.

Mr. PERCY. Will the Senator yield me sufficient time to make some comments on that?

Mr. ELLENDER. Yes. I yield 2 minutes to the Senator.

The PRESIDING OFFICER (Mr. PACKWOOD). The Senator from Illinois is recognized for 2 minutes.

Mr. PERCY. My information is that the average acreage allotment for a cotton farmer is 26 acres. Ten acres is, then, a sizable farm. I would ask my distinguished colleagues from the Western and Midwestern States what could a farmer produce on a 26-acre farm, whether it be wheat, corn, or soybeans? One could not live on that. So there is quite a difference here from the yield from a cotton farm and from a feed grain or a wheat grain farm. I think that when the Secretary of Agriculture says that this amendment would yield $250 on an average per farmer, then, at most, it would only cost $1,005,000. We are talking about a bill that will cost billions and billions of dollars. We are looking for equity. This cannot possibly be some sort of a giveaway program, when people have less income than $5,000 in sales and $2,000 outside of earned income.

If the Senator would remove the earned income, this is to take into account anything earned by the cotton farmer, it is right that we should do the same thing for other farmers, and I would be happy to amend my amendment accordingly.

Mr. ELLENDER. That is the one the Senator from Iowa (Mr. MILLER) suggested. That is why I recommended awhile ago that the Senator have a talk with him about it, because it is his amendment.

Now, Mr. President, in answer to the question propounded to me while ago by the Senator from Illinois, I wish to point out that we have over 250,000 cotton farmers with acreages of less than 10 acres, some as low as an acre and a quarter or an acre and a half. Those are considered poor. That is why the committee years ago limited this extra pay to those farmers who had such small acreages.

Mr. TALMADGE. Mr. President, will the Senator from Louisiana yield at that point?

Mr. ELLENDER. I yield.

Mr. TALMADGE. Is it not further true that the cotton farmers have voted themselves under a quota system with penalties and have reduced their acreage during the past 30 years from 42.5 million acres to 14.5 million acres in the present bill?

Mr. ELLENDER. Yes, the Senator is correct on that.

Mr. TALMADGE. No other farmers have done that, except——

Mr. ELLENDER. Except the——

Mr. TALMADGE. Except the tobacco and peanut farmers, is that not correct?

Mr. ELLENDER. The Senator is correct. The rice farmers have done the same thing.

Mr. TALMADGE. Correct.

Mr. ELLENDER. But the reason why the acreage in cotton has shrunk, as the Senator from Georgia has just pointed out, is that we had a mandatory program that, of course, gradually reduced the acreage from year to year in planting for cotton. These farmers retained the small acreage. They still have it. As I said, a few years ago, I think it was in 1964, an amendment was put into the bill whereby those who retained the small acreages would get the 30 percent. We have changed the law to this effect from what it was in the original bill—that in order to be able to obtain this pay, cotton must be actually planted. If the farmer does not plant it, the Secretary of Agriculture would then have the right to purchase the small allotments to get him out of the cotton business.

Mr. PERCY. Mr. President, will the Senator from Louisiana yield me 1 minute?

Mr. ELLENDER. I yield 1 minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. PERCY. I would be hopeful that this amendment could be accepted by my distinguished colleague from Louisiana. I have great affection for him. I have a long-time friendship with him. He is the greatest photographer in the Senate and the greatest cook in the Senate——

Mr. ELLENDER. I use a Bell & Howell camera manufactured by my good friend from Illinois.

Mr. PERCY. Well, I do not want to be commercial about it [laughter]. But he does use the finest camera equipment in the world.

Mr. ELLENDER. And it is foolproof, too.

Mr. PERCY. Yes, it is foolproof [more laughter]. But if I could just point out that it is not only the amendment of the Senator from Iowa (Mr. MILLER) that I consider in the term "earned income" but it pertains particularly to the amendment to the cotton title. That amendment, on page 106, line 9, has the reference there to "earned income."

The point the Senator made about the acreage limitation is reasonable. I hope that I am a reasonable man. I would be happy to amend the amendment accordingly. Would the Senator accept such an amendment if modified? I believe we could save some time here and I would be happy to put on a limitation of 160 acres.

Mr. ELLENDER. The Senator means, for what? Wheat?

Mr. PERCY. Feed grains and wheat.

Mr. ELLENDER. With that addition we would take it to conference, if that is agreeable to my friend from Illinois.

The PRESIDING OFFICER (Mr. PACKWOOD). The Chair would advise the Senate that the yeas and nays have been ordered on this amendment.

Mr. PERCY. Mr. President, I ask unanimous consent to withdraw the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I thank my distinguished colleague very much.

Mr. ELLENDER. Mr. President, has the amendment been sent to the desk as modified?

The PRESIDING OFFICER. Does the Senator from Illinois modify his amendment accordingly?

Mr. ELLENDER. It should apply to wheat or feed grain farmers with 160 acres or less.

Mr. YOUNG of North Dakota. We should treat cotton, wheat, and feed grains alike, but with respect to this amendment, it provides assistance through increased payments for feed grains and cotton and increases the loan level to assist small wheat producers. This would create a great many problems, and I do not think an amendment like this should even be taken to conference.

Mr. ELLENDER. I am trying to save time. Maybe we can work it out in conference. I emphasize what the Senator from Vermont (Mr. AIKEN) stated today, and what I stated, that when we try to mark up a bill of this character on the floor of the Senate, we do not really know what we are doing. For that reason, as I said, in order to save time, we might take it to conference in an effort to provide some language that would be applicable.

Mr. AIKEN. I hope that we can do that. I would be very much in favor of giving additional support to bona fide poor farmers, but I would not want to give additional support to millionaires who happen to produce a small amount of farm commodities.

The PRESIDING OFFICER (Mr. PACKWOOD). The Chair would state that the desk does not have the modification yet.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. LONG. If we do not have the amendment in written fashion, and we

are asked to vote on it, how can we vote on it?

The PRESIDING OFFICER. The Senator from Illinois will please send his amendment, as modified, to the desk.

Mr. MILLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MILLER. The time not to be taken out of either side on the amendment.

Mr. MANSFIELD. If the Senator will withhold that request, could we not get this settled while we are working on another amendment.

Mr. PERCY. Mr. President, may I withdraw my amendment momentarily, and have the amendment to be offered by the Senator from New York presented, and then I will have sufficient time to correct the wording of my amendment?

Mr. President, I ask unanimous consent to withdraw my amendment temporarily.

The PRESIDING OFFICER. The Senator does not need to ask unanimous consent for that. The amendment is withdrawn temporarily.

Mr. PERCY. I so request.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated. This is an amendment offered on behalf of myself and my colleague from New York (Mr. GOODELL) who is unable to be here.

The assistant legislative clerk read the amendment as follows:

On page 123, after line 24, insert the following:

"SEC. 806. (a) Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), is amended by adding at the end thereof a new subsection as follows:

"'(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year.'

"(b) Subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921–1929), is amended by adding at the end thereof a new section as follows:

"'Sec. 310. Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subtitle shall remain available until expended.'"

Mr. JAVITS. Mr. President, let me explain the amendment. I yield myself——

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. If the Senator will yield briefly, I ask unanimous consent, Mr. President, that there be a time limitation of 10 minutes on this amendment, with the time to be equally divided between the Senator from New York and the manager of the bill.

Mr. JAVITS. Mr. President, I have a problem there. The Senator from Oklahoma (Mr. BELLMON) wants a minute. Could the Senator from Montana make that 15 minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 15 minutes on this amendment, with the time to be equally divided between the Senator from New York and the manager of the bill; and 10 minutes on all other amendments, with the time to be equally divided between the proponents of the amendment and the manager of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. BELLMON. Mr. President, I would like to ask the distinguished chairman of the Agricultural Committee a question if I might. It has come to my attention that there is some apprehension over the language on page 71, in section 379(b), as it relates to grazing, the so-called set-aside.

It is my understanding as a member of the committee that the provision which allows producers to have a set-aside in grazing is that certain crops must be in short supply, and it would only allow grazing during months other than the 5 most principal grazing months.

Mr. ELLENDER. The Senator is correct.

Mr. BELLMON. So there is nothing that allows the grower to graze the year-round.

Mr. ELLENDER. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield the Senator from Oklahoma 1 additional minute.

Mr. BELLMON. Mr. President, the farm bill which the Senate is considering is one of the most enlightened pieces of farm legislation that has ever been before the Congress.

This bill contains many provisions which will give farmers greater freedom of decisionmaking and remove the restraints which have hampered farmers in their efforts to attain maximum efficiency and lowest costs of production.

The bill also contains features that will enhance the American farmer's position in international commerce.

Another important aspect of this legislation is that it will encourage multiple use of privately owned agricultural land. It will provide great benefits to urban dwellers whose need for outdoor recreational opportunities has not been met and can never be met realistically through the use of publicly owned lands.

While this legislation is referred to as the farm bill, it is, in effect, consumer legislation, because the benefits which farmers receive under this act are immediately passed on to consumers through high-quality, low-cost food and fiber.

At the present time, the average American family spends about 16.5 percent of its take-home pay on food. This is the lowest percentage of any country in the world. By comparison, British families spend more than 25 percent, the French almost 30, the Japanese more than 40 percent, and in Ghana the figure is almost 60 percent. Americans spend more for housing and home furnishings than for food.

Because American agriculture has become the greatest food production enterprise in the world, now it takes only 1 hour of factory work to buy 3.3 pounds of beef, a half a pound more than in 1960; and it gets him 25 percent more pork, 20 percent more milk, and 13 percent more potatoes.

The proportion of disposable income spent for food by American consumers dropped between one-fourth and one-third in the past 20 years. During the same period, the proportion of disposable consumer income received by farmers for the food they produced and sold was cut in half. Today, farmers receive only 5½ percent of disposable consumer income for their food products, compared with 11 percent in 1947.

The Department of Agriculture reports that if farm prices had kept step with increases in the general level of food prices over the past 20 years, consumer expenditures for food would be well over $32 billion more than they were in 1969.

Over that 20-year period, consumers would have paid about $100 billion more for food.

Truly American agriculture has produced an abundance of benefits for American consumers and this legislation will make it possible for benefits to be even greater in the future.

In addition the presently largely untapped but invaluable recreational opportunities which only American agriculture can offer to the urban American citizen will for the first time be realistically available to both urban and rural dwellers.

Agriculture remains our Nation's biggest industry. Three out of every 10 jobs in private employment are related to agriculture. Six million people work to provide the supplies farmers use for production and family living. Agriculture employs more people than public utilities, the steel industry, the automobile industry, and transportation combined. All told, about 8 to 10 million people are employed storing, transporting, processing, and merchandising the products of agriculture.

Agriculture also is the largest customer of American industry. Farmers are spending more than $38 billion a year on goods and services to produce crops and livestock and another $12 billion for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services. Agriculture, therefore, must attain a fair level of prosperity and receive its fair share of income if it is to continue to utilize the products of our laboratories and factories.

A huge percentage of the American work force is employed in meeting the needs of American agriculture and in processing the products of our farms and ranches. This bill will benefit this major segment of the American economy by assuring the ability of agriculture to continue as a substantial customer of business and industry.

The American farmer has become the worlds worst efficient food producer. He now feeds himself and 43 others. In order to do this, American agriculture must have access to modern equipment, the latest products and ideas of American technology, and orderly, efficient marketing services. This legislation will help stabilize farm income so that American

agriculture will be able to obtain the tools it must have to keep Americans well fed and well clothed and to enable the vast majority of our citizens to seek their livelihoods in their preferred fields of endeavor.

The American farmer is making a great contribution to the health and welfare of all Americans. This farm bill will enable American agriculture to continue to function as a vital part of the Nation's economy. This bill represents a sound investment in the future of our Nation and it deserves the support of the Senate.

Mr. BELLMON. Mr. President, the Senator from Texas (Mr. TOWER) is absent tonight on official business. He is particularly interested in the agriculture bill but a previous commitment of some months standing made it impossible for him to be at this evening's session.

He has asked that I insert a statement in the RECORD in his behalf relating to a program for cotton promotion and marketing research. I ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, Senator TOWER'S statement was ordered to be printed in the RECORD, as follows:

Mr. TOWER. Mr. President, I want to commend the distinguished Chairman of the Senate Agriculture Committee for having the foresight to include in this legislation a section establishing a marketing program of research and development for cotton. He and the other distinguished members of the Committee are to be congratulated for their vision, for they apparently understand the bind cotton cotton producers are in due to the competition in the fiber market. This competition has had a severe impact on the cotton industry, and it is imperative that the industry be able to help itself in meeting the challenge of synthetics. I know the industry can and will survive and grow greatly in the years ahead.

As the distinguished Chairman and members of his Committee know, I wrote to each of them last month prior to the mark-up of the Senate bill and asked that they consider adding such a section to the Senate version. There was no such section in the bill as passed by the House. The language I suggested would have funded the program through a deduction from funds made available for producer payments and, although I do appreciate the fact that a market development section was made a part of the bill, I do think it would have been preferable to have the program funded in this manner rather than from savings realized from limitations as was finally agreed upon by the Senate Committee.

A program as important to cotton farmers as the research and market development program is deserves adequate funding. It was important enough to put into the bill, and I believe it is important enough to be adequately funded. I believe that I speak for cotton producers in my state, and I would imagine that Senators from other cotton producing states would agree with me in saying that the industry deserves some sort of assurance that the program—if written into law—is not an empty promise, but an adequately funded, conscientious attempt to help the cotton producer and the whole cotton industry itself.

I myself am convinced, as I stated in my letter to my colleagues on the Agriculture Committee, that the cotton industry is "experiencing substantial marketing problems" and is sorely in need of help to be able to meet those problems in its own way. Finding ways of expanding markets for American agricultural products is vastly superior to a policy of waiting until the particular crop industry involved is in serious decline and then arbitrarily and artificially propping it up with price supports and subsidies of various kinds.

I hope that when the varying bills are submitted to conference the conferees will be disposed to look at the section I have discussed and will seriously consider my remarks today. We must have adequately funded, viable programs of market research and sales promotion.

Mr. DOLE. Mr. President, will the Senator yield briefly?

Mr. JAVITS. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I would like to point out that the Senator from Nebraska (Mr. CURTIS), who is necessarily absent, is vitally interested in this matter. He agrees with the views expressed by the Senator from Louisiana (Mr. ELLENDER).

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, the amendments I proposed for Senator GOODELL and myself would accomplish two things: First, assure that funds appropriated by Congress for the Farmers Home Administration's water and sewer program would remain available until expended; and second, provide that fiscal year authorizations not appropriated would remain available until appropriated.

This authority is identical to that provided for the sewer and water program administered by the Department of Housing and Urban Development. It would provide Congress with flexibility in appropriating funds for the Farmers Home Administration consistent with our economy and with the urgent need.

These amendments would resolve problems similar to those faced last spring regarding the release of appropriated funds from budgetary reserve for the Farmers Home sewer and water program.

Congress appropriated $46 million for direct grants in fiscal year 1970, but $18 million was placed in budgetary reserve. In mid-March Senator GOODELL made the appeal for the release of these funds, and I was pleased to join many Senators and Congressmen in this effort. A month later the funds were released, with scarcely enough time for the Farmers Home Administration to sign contracts to commit the funds before the end of the fiscal year.

It was not until May, however, that we learned that the Budget Bureau had not released $10 million out of the $74 million appropriated for direct loans to enable the agency to make loans to communities to complement the grants, so that the communities could proceed with their projects. Senator GOODELL'S request to the President for release of these loan funds was denied and it was simply too late for further appeal. The $10 million appropriated by Congress thus reverted to the Treasury on June 30, 1970.

As a result of the release of the $18 million in grant funds, the Farmers Home Administration was able to approve 145 additional grant applications by July 1, 1970, for hard-pressed communities that had been waiting in the pipeline for a number of years. However, many of these grants cannot be released until the communities are able to borrow funds for the remaining costs of their projects. Forty-three States have grant commitments that could not be carried out until additional loan funds are made available.

These projects require about $25 million in direct loans, and the Farmers Home Administration had suggested that they be given priority when fiscal year 1971 funds became available.

The Department of Agriculture appropriation bill for fiscal year 1971, which is now awaiting House-Senate conference, includes $100 million for grants, and the amendment sponsored by Senator GOODELL to provide $123 million for direct loans for the sewer and water program. This money will go a long way toward completing pending projects and allowing new projects to be undertaken. However, for the program to be really effective, it is necessary for the appropriation to remain available after the present fiscal year if, for any reason, the money is not committed during the fiscal year.

A survey conducted last December by the Farmers Home Administration disclosed that more than $11 billion will be required to construct or improve water and sewer systems in over 30,000 villages with a population of 5,500 or less.

Without adequate systems not only is the growth of these villages seriously impeded, but a national program to clean up our environment will be delayed beyond an acceptable time. In light of the great need, it is the responsibility of Congress to assure that adequate funds are available to meet the need.

Mr. President, apparently the difficulty has been that for reasons which are integral to the particular program, hard-pressed communities are shut out either because there is an expiration of time within which the appropriated moneys can be expended or because of fiscal year authorizations for which there is no appropriation in time.

Senator GOODELL detailed a number of individual cases in which major programs for villages and towns have been shutout solely for that technical reason.

I have shown the amendment to the Senator from Louisiana (Mr. ELLENDER) and to the Senator from Georgia (Mr. TALMADGE) who is very deeply interested in this particular matter. The Senator from Georgia was kind enough to say that it is a good amendment.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Georgia.

Mr. TALMADGE. Mr. President, I have examined the amendment. I have discussed it with the distinguished chairman of our committee. It would authorize funds to be made available under the Aiken bill for water and sewerage in rural areas to remain available until fully expended.

Inadequate water and sewer facilities is one of the most pressing problems in the rural areas. The Aiken bill was cosponsored by, I think by almost 100 percent of the membership of the U.S. Senate.

Unfortunately, funds made available through the Farmers Home Administra-

tion have been withheld from time to time, and in many cases they have been denied altogether.

I think it is a very worthy amendment. I hope that the Senate will accept the amendment.

Mr. JAVITS. Mr. President, I thank the Senator from Georgia.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COOPER. Mr. President, I wish to repeat what the distinguished Senator from Georgia has said. I remember very well that the Senator from Vermont (Mr. AIKEN) introduced this program, and he was joined by 93 Members of the Senate. This amendment by Senator GOODELL is one of the most constructive offered to the bill. It will guarantee, if accepted by the House, the steady progress of the water and sewage facilities for communities in New York and throughout our country.

Senator GOODELL is to be commended for his foresight and interest in this program. This amendment will be of great benefit to the people of his State and the Nation.

Mr. JAVITS. The Senators are very kind. There is nothing I would rather do in my life in the Senate than do something that would implement and forward a program of the Senator from Vermont.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

AMENDMENT NO. 896

Mr. SMITH of Illinois. Mr. President, I call up amendment No. 896.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows: "On page 114, strike all of section 610."

Mr. SMITH of Illinois. Mr. President, I yield myself 5 minutes. I am sure that will be sufficient time.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. SMITH of Illinois. Mr. President, this is an amendment which seeks again to obtain equality for the feed grain and wheat farmers by deleting something in the bill at the present time which appears to be a plus for the cottongrowers which is not there for those who get subsidy payments.

The section provides for $10 million to be set aside out of the subsidy payments that would be made except for the limitations in the bill, as the language of the bill says, for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs, and programs to aid in the development of new and additional markets, marketing facilities, and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings.

There are no such programs, of course, for feed grains and wheat farmers.

This, I think, would be $10 million that could be saved, which is not going to be saved by the limitation if this language in the section remains in the bill.

It is my understanding, or at least I am advised, that there is presently a promotional program which is pursued by cotton producers by means of the payment of $1 a bale on cotton produced. That does provide approximately this amount of money that is used for this purpose. It is provided by the cotton producers themselves.

I feel that it is not proper that there be an additional $10 million provided by the taxpayers out of the money appropriated in the bill for the same purpose.

This amendment would simply delete that $10 million of promotional money from the language in the bill. It would do nothing beyond that.

Mr. ELLENDER. Mr. President, I hope that my good friend, the Senator from Illinois, will not press the amendment. These funds have been used by the farmers to fight the boll weevil and all kinds of insects for many years. This amount has been appropriated from year to year to do this very thing. In addition to the amount provided in the bill, the cotton farmers themselves put up $10 million.

Mr. President, I yield to my good friend, the Senator from Georgia, who will go further into the matter.

Mr. TALMADGE. Mr. President, I deeply regret that the Senator from Illinois sees fit to offer a series of amendments regarding the cotton industry.

Money for research and promotion has been raised by the cotton farmers of this country who have assessed themselves $1 per bale to provide the fund of approximately $10 million so that cotton can stand on its own feet and they will not have to ask Congress year after year for supports and subsidies.

Cotton is a vital crop in this country. In the early days when our country was not industrialized, the dollars earned from cotton provided the money to industrialize the United States of America.

We still export a great deal of cotton. Agricultural exports are now the largest dollar earner that our country has.

Cotton is in serious trouble. Synthetic fibers make most of the cloth that we weave into fabrics for use in this country and in foreign countries.

What this amendment would do would be to authorize an additional $10 million out of the savings from the limitation on payments together with the $10 million annually that the farmers are levying upon themselves to provide research to develop new uses for cotton fibers and also to promote their product and to try to prevent some of the pestilences and diseases, such as the bollweevil, that make the production of cotton cost so much. It would be on a 50–50 matching basis.

I would point out that Du Pont alone spends $50 million for research and promotion. We are asking for only $10 million for cotton.

I have visited one plant in Alabama, Chemstrand, that produces manmade fiber. This plant produces more fiber than the entire cotton crop in the State of Alabama. That is one plant.

I think this small amount of money that will be made available from the savings on the limitation of payments will provide research to produce cotton cheaper and research to expand markets.

This $10 million is, of course, a small price to pay for attempting to put the cotton program on a more self-sustaining basis. The only salvation of the cotton industry in this country is research which will enable farmers to cut costs, research which will increase the utilization of cotton, and an aggressive promotion program to increase cotton's share of the consumer dollar.

The money for this research and promotion would not have an unfavorable budget impact; it would come from the savings out of payment limitations. Of course, no one knows exactly how many savings will accrue from the $55,000 payment limitation, but the Department of Agriculture has estimated that we would save over $50 million in cotton payments.

For some time, the cotton industry and the members of the appropriate committees of Congress, have been aware of the need for more research for cotton. They realize that something must be done to correct a situation in which the market price of cotton is about 22 cents per pound, while it costs farmers on the average about 35 cents per pound, to grow cotton. Either we mount more aggressive efforts to make cotton stand on its own feet or we continue to make up the difference between the market price and the farmers' cost of production by a subsidy payment.

The cotton interests are aware that they cannot forever receive the kind of subsidy that they now get. Therefore, the cotton farmers in 1966 agreed to a program whereby $1 would be deducted from the sale price of every bale of cotton, and this money is used for research and promotion. This money is utilized through the Cotton Producers Institute, a group which is controlled by representatives of cotton farmers throughout the cotton-producing areas.

Currently, almost $10 million is collected and spent by the CPI in this program. Section 610, which I introduced as an amendment in the Agriculture Committee deliberations, would merely match the $10 million put up by the producers with another $10 million from payment limitations savings.

I suppose the opponents of this section are concerned that only cotton would have this special research and promotion money under the pending bill. However, they should recognize that it is only the cotton farmers who are already contributing $10 million for the survival of their industry.

It is only the cotton farmers who will give up millions of dollars because of the payment limitations. The Department of Agriculture has estimated that under a $55,000 limitation, cotton payments would be reduced by $51.6 million annually, while feed grain payments would be reduced by $4.6 million annually and wheat payments would be reduced by $2.1 million annually.

It is only the cotton industry which is faced by not only foreign competition but by aggressive competition from synthetics.

When the cotton industry came to me and asked for money for research and promotion, they asked for $30 million. However, the Senate Agriculture Committee agreed to only $10 million. This sum should be considered the barest of minimums if the cotton farmers are to hold their own against the multimillion dollar competition from synthetic manufacturers.

Section 610 of the pending bill is essential if we are to preserve a cotton industry in this country.

I regret that the Senator has seen fit to offer this amendment. I hope that the Senate rejects it by an overwhelming vote.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. TALMADGE. I yield back the remainder of my time.

Mr. SMITH of Illinois. Mr. President, I would like to conclude briefly.

It is apparently inherent in the remarks of the distinguished Senator who just commented on this amendment and there is some suggestion that there is an intention on my part to discriminate against or do something harmful or hurtful to the cotton growers. I would like to assure him and the Senate that that is not in anyway my intention nor my motive.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. SMITH of Illinois. I yield.

Mr. TALMADGE. I did not mean to leave that inference, but it seems a little strange for a Senator from a State that produces almost no cotton to offer a series of amendments relating to cotton.

Mr. SMITH of Illinois. I do not think it so strange in that this bill in this section is obviously designed to be a help to the cotton grower but it would do nothing for the feed grain growers of my State.

The comment was made by the Senator that there is the problem of boll weevils in connection with cotton.

Mr. TALMADGE. The cotton farmers tax themselves $10 million. It would be a matching fund. I think if the feed grain producers placed that tax on themselves Congress would be sympathetic to providing more research money for feed grains.

Mr. SMITH of Illinois. I would like to continue. In Illinois now, as mentioned by my distinguished colleague, the senior Senator from Illinois, there is the very serious problem of blight in corn. There are other mishaps relating to feed grains and wheat. Unfortunately, this bill does not provide anything to help farmers who grow these crops, yet it obviously does provide help for cotton.

By this amendment we are suggesting nothing to harm or discriminate against cotton farmers. We are suggesting there should be equality of treatment to all of those involved in the program and no more than that. This is not in any sense designed to be a vendetta against the cotton producers as suggested.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment—the question.

The amendment was rejected.

Mr. PERCY. Mr. President, I call up my amendment No. 891 in revised form, which has been submitted to the chairman and now meets with his approval. If it is the wish of the Senate it can be read by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

AMENDMENT No. 891

On page 70, at line 20, insert the following before the period: *"Provided,* That the face value with respect to any producer on a farm with a farm domestic allotment not in excess of 160 acres who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum"

On page 87, at each of lines 7 and 10, insert the following before the period: *"Provided,* That the payment rate with respect to any producer on a farm with a base acreage not in excess of 160 acres who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

The PRESIDING OFFICER. All time on this amendment has expired. The question is on agreeing to the amendment. All those in favor will signify by saying "aye." All those opposed will signify by saying "no."

The Chair is in doubt, and requests a division.

Those in favor will rise and stand until counted. [After a pause:] Those opposed will rise and stand until counted.

On a division the amendment was agreed to.

Mr. MILLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. It is too late. The Chair has already announced the result.

The bill is open to further amendment.

Mr. PERCY. Mr. President, I send an amendment to the desk which, in revised form, was originally submitted as amendment No. 890.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 99, at line 9, strike "fourteen million five hundred thousand" and insert "eleven million five hundred thousand".

Mr. PERCY. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. PERCY. Mr. President, the purpose of the revision is simply to improve the drafting of the amendment; it does not change the substance of amendment 890. The Senate committee bill allows 14.5 million acres for cotton allotment. The House passed a provision for 11.5 million acres—last year the crop was grown on 11.1 million acres. The Senate increase to 14.5 million acres costs an additional $151 million a year. The Senate bill encourages the inefficient high cost producer to increase cotton production and requires the efficient producer to reduce non-subsidized production from 6 million acres in 1970 to 1.8 million acres in 1971. It reduces flexibility for cotton to move toward the market and keeps cotton tied to the Government.

Mr. President, I would like to make clear that the administration would like to take the differences of opinion to conference, but I would also like to point out that Secretary Hardin opposed the 14.5 million acres in a letter to the Committee on Agriculture and Forestry on August 31. He stated:

Government's costs would be increased to unacceptable levels (about $150 million per year above the House bill). . . . This means that the cotton industry cannot make the adjustments necessary to move toward a more viable economy but would in fact move backwards toward an almost completely Government supported economy. . . . The Government cannot spend this much money to save an industry and at the same time precluded freedom of action by those who will try to save it without being subsidized.

We are trying to restore the House language of 11.5 million acres and support the Secretary of Agriculture in his proposal and in the letter he sent to the Committee on Agriculture and Forestry through its chairman.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I did not expect my friend from Illinois to bring that amendment up. As I pointed out before, the cotton program has been a mandatory program now for almost 20 years. We started out with an acreage of 42 million. Because of the fact that the cotton program is mandatory, each year the amount of acres to be planted was fixed. Today, under the present law, the minimum has been reduced to 16 million acres from a total of 42 million a few years ago.

The pending amendment, if adopted, would reduce the acreage on which payment can be obtained to 10 million acres. If that happens, I know there will not be a sufficient amount of cotton grown to supply our domestic needs and our export needs.

The bill as voted out by the Senate committee has reduced the total acreage of 16,310,000 acres in order to adjust the distribution among farmers who may have a small acreage. We may have reduced all of that to 14.5 million acres.

So with the law now on the statute books, the acres to be planted to cotton will be reduced from 16,310,000 to only 14½ million acres. With respect to that 14½ million acres, under the bill there is a set-aside provision of 12½ percent. So if 12½ percent is taken from the 14½ million acres fixed in the bill, the planted acres on which the farmers will be able to draw pay will be reduced to 12,700,000 acres.

I think that is low enough. On that

acreage, I can envision that enough cotton will be planted to supply our domestic as well as our foreign needs.

What gave birth to our present law is that we had a big surplus in 1964 of over 14 million bales. The law provided for cotton production on 16,300,000 acres, but the Secretary could reduce that base by 12½ percent and give to the farmer a payment on that 12½ percent equal to 25 percent of parity. Then, on the rest of the acreage, that is, 87.5 percent of the base, the farmer was paid the equal of 65 percent of parity on the bales that he would produce on all of that acreage if planted. But the law was so drafted that in the event the Secretary of Agriculture felt that too much cotton would be planted on the 87.5 percent of the allotment, he could pay farmers not to plant cotton.

By doing that, it was thought and felt that it was cheaper to pay the farmer not to plant the cotton than for him to plant it and then have the Government store it and pay the storage on it. That was the device used in the bill to reduce the enormous surplus we had at the time.

Under the present bill, we change that. We need the cotton now. We have reduced the acreage down to 14.5 million acres, less than 12.5 percent set aside without pay.

So from 42 million acres of 25 or 30 years ago, the cotton farmer is now reduced to 12.7 million acres on which he can grow cotton.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I am very hopeful the Senate will reject the amendment.

Mr. TALMADGE. Mr. President, will the Senator yield himself 1 additional minute?

Mr. ELLENDER. Yes, on the bill.

Mr. TALMADGE. Is it not true that under existing law we have reduced surpluses from 16 million bales to 5,700,000 at the present time?

Mr. ELLENDER. That is correct.

Mr. TALMADGE. Is it not true that 5,700,000 is the absoute minimum for a carryover to meet the needs of the domestic industry plus exports?

Mr. ELLENDER. That is correct.

Mr. TALMADGE. Is it not further true that if the amendment of the Senator from Illinois were to be agreed to by the Senate, we would have a shortage of cotton both for domestic use and for export?

Mr. ELLENDER. That is correct. As I said, it was reduced to a little over 12 million acres.

Mr. YARBOROUGH. Mr. President, will the Senator yield himself a half-minute in order that I may ask him a question?

The PRESIDING OFFICER. There is no more time on the amendment. The time would be chargeable against the bill.

Mr. PERCY. Mr. President, a parliamentary inquiry. How much time do I have?

The PRESIDING OFFICER. One minute.

Mr. PERCY. Mr. President, I would simply like to say that all my life in business, I heard businessmen say they believed in the free enterprise system "except for our industry; we need something special from Government." I think this is a classic example of the term "conservatism" being taken in vain here when really, if we are looking at the issue from the standpoint of principle, we ought to be working against it and away from it. We ought to be working away from Government control. We ought to be working toward what I am providing.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. PERCY. May I ask for an additional 1 minute?

Mr. MANSFIELD. Mr. President, I object. If it is on the bill, all right, but not on the amendment.

Mr. YOUNG of North Dakota. I yield the Senator 1 additional minute on the bill.

Mr. PERCY. I thank my distinguished colleague.

Last year our cotton crop was grown on 11,100,000 acres. The House bill provides for 11 and a half million acres. The Senate committee has increased this to 14 and a half million acres. This will cost an additional $151 million, which we do not have, which the Federal Government must borrow, and we must add it to the debt. What is conservative about that?

In addition, the Secretary of Agriculture has said it would lead to almost a completely Government supported program.

I do not see how any conservative could move in the direction of fiscal responsibility and yet in the direction of Government control simply because it involves a particular crop we might be particularly interested in.

I hope the Senate will support the amendment.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. PACKWOOD). The question is on agreeing to the amendment of the Senator from Illinois (Mr. PERCY). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting the Senator from Washington (Mr. MAGNUSON) and the Senator from Georgia (Mr. RUSSELL) would each vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

On this vote, the Senator from Washington (Mr. JACKSON) is pair with the Senator from New Jersey (Mr. WILLIAMS). If present and voting, the Senator from Washington would vote "nay" and the Senator from New Jersey would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of Illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Nebraska (Mr. CURTIS), the Senator from South Dakota (Mr. MUNDT), the Senator from Vermont (Mr. PROUTY) and the Senator from Texas (Mr. TOWER) would each vote "nay."

On this vote, the Senator from New York (Mr. GOODELL) is paired with the Senator from California (Mr. MURPHY). If present and voting, the Senator from New York would vote "yea" and the Senator from California would vote "nay."

The result was announced—yeas 13, nays 60, as follows:

[No. 297 Leg.]

YEAS—13

Bellmon	Packwood	Schweiker
Brooke	Pell	Smith, Ill.
Case	Percy	Williams, Del.
Griffin	Proxmire	
Javits	Ribicoff	

NAYS—60

Aiken	Ervin	McIntyre
Allen	Fannin	Metcalf
Allott	Fong	Miller
Anderson	Fulbright	Mondale
Bayh	Gore	Montoya
Bennett	Gravel	Muskie
Bible	Gurney	Nelson
Boggs	Hansen	Pearson
Burdick	Harris	Saxbe
Byrd, Va.	Hart	Scott
Byrd, W. Va.	Holland	Smith, Maine
Church	Hollings	Sparkman
Cook	Hruska	Spong
Cooper	Hughes	Stennis
Cranston	Inouye	Stevens
Dole	Jordan, N.C.	Symington
Dominick	Long	Talmadge
Eagleton	Mansfield	Thurmond
Eastland	McClellan	Yarborough
Ellender	McGovern	Young, N. Dak.

NOT VOTING—27

Baker	Jackson	Murphy
Cannon	Jordan, Idaho	Pastore
Cotton	Kennedy	Prouty
Curtis	Magnuson	Randolph
Dodd	Mathias	Russell
Goldwater	McCarthy	Tower
Goodell	McGee	Tydings
Hartke	Moss	Williams, N.J.
Hatfield	Mundt	Young, Ohio

So Mr. PERCY's amendment (No. 890) was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 895

Mr. SMITH of Illinois. Mr. President, I call up my amendment No. 895.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. SMITH of Illinois. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 87, at line 15, insert the following after "adjustments"; "for abnormal yields in the preceding year caused by drought, flood, corn blight, or other natural disaster".

Mr. SMITH of Illinois. Mr. President, I will explain the amendment, and I will be very brief.

In the State of Illinois at this time there is a very serious problem with regard to the current corn crop, because there is a blight, as it is called, which is affecting a very substantial portion of the crop.

Inasmuch as subsidy payments are based on yield figures from previous years, this amendment is designed to provide that in determining the yield figure upon which the subsidy payment will be based, abnormal yields in the preceding year caused by drought, flood, corn blight, or other natural disaster may be taken into account. It is no more complicated than that.

I hope the Senate will adopt the amendment and that it will become a part of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I hope the Senator is not serious in offering this amendment, because it really limits the authority that the Secretary of Agriculture now has in dealing with the situation about which he is talking.

Under the law, the Secretary has the right and authority to take into consideration any calamity, and what the distinguished Senator does now is to limit that authority, so that in case of excessive moisture, hail, difficulties in obtaining labor, and other matters not specified in the Senator's amendment the authority would be stricken from the bill. As it is now, the Secretary has the right to deal with all the situations about which the Senator is complaining.

This amendment, in my opinion, would simply limit the Secretary's authority, and I urge that the amendment be rejected.

Mr. SMITH of Illinois. I, of course, yield to the wisdom and judgment of the distinguished chairman of the Committee on Agriculture and Forestry; but if what he says is true, then I do not understand the English language. All we do by this amendment is to insert additional language. We take out nothing. We eliminate nothing in the Secretary's authority, as it reads in the bill at the present time. We do spell out specifically that in situations where there is drought, flood, corn blight, or other natural disaster, an adjustment may be made. We do not restrict the adjustment that can be made for any other cause. That is what this amendment would do.

I regret that the Department of Agriculture, apparently, from what the distinguished Senator has said, does not read the English language the way I do. I think the way I describe it is fair and reasonable. I still think that this is a good amendment and that it would be helpful to those in my State who have suffered from and are this year suffering from a very serious corn blight.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. SMITH of Illinois. I yield.

Mr. YARBOROUGH. The Senator from Illinois says that this amendment takes out nothing. The Secretary has broad power now. The amendment reads "for abnormal yields in the preceding year caused by drought, flood, corn blight, or other natural disaster." What about a corn borer, boll weevil, or many of the other insects that come into the country? The Secretary could now take that into consideration, if some insect destroyed the crop. What would be the situation with respect to the Senator's amendment? Would not the farmer be out in that case? It is not a natural disaster when some pest comes in.

Mr. SMITH of Illinois. As I would define the language, I would think that was a natural disaster. But, again, I think it is a matter of semantics. It is a matter of interpretation. My interpretation is as I have explained. Apparently, there is some disagreement.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. SMITH of Illinois. I yield.

Mr. COOPER. While my State is not the largest corn producer in the Union, we produce approximately 75-million bushels of corn. It has been said that the blight has resulted in a 6-percent loss in corn production. We have already estimated in the State of Kentucky, according to the Department of Agriculture, that it will be 16 percent. But in talking with representatives of the Farm Bureau today, they think it will be 30 percent. I understand that before the Secretary had prepared his estimates of the loss due to the blight, the committee had already acted.

I would think that many steps could be taken which would help these corn producers, who are actually losing their crop this year and will probably lose it next year. There may not be enough seed to plant corn. We could have a national disaster.

I think that any steps that can be taken to help these people, or at least to provide a remedy which can be considered in conference, ought to be taken. I had intended to propose later not an amendment but some suggestions which I think the Secretary could follow in making recommendations. I will do that later, but I will support the amendment of the Senator from Illinois.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. SMITH of Illinois. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Georgia (Mr. RUSSELL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Nebraska (Mr. CURTIS), the Senator from South Dakota (Mr. MUNDT), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) would each vote "nay."

The result was announced—yeas 10, nays, 63, as follows:

[No. 298 Leg.]

YEAS—10

Cook	Gurney	Scott
Cooper	Percy	Smith, Ill.
Dominick	Saxbe	
Griffin	Schweiker	

NAYS—63

Aiken	Burdick	Ervin
Allen	Byrd, Va.	Fannin
Allott	Byrd, W. Va.	Fong
Anderson	Case	Fulbright
Bayh	Church	Gore
Bellmon	Cranston	Gravel
Bennett	Dole	Hansen
Bible	Eagleton	Harris
Boggs	Eastland	Hart
Brooke	Ellender	Holland

Hollings	Metcalf	Smith, Maine
Hruska	Miller	Sparkman
Hughes	Mondale	Spong
Inouye	Montoya	Stennis
Javits	Muskie	Stevens
Jordan, N.C.	Nelson	Symington
Long	Packwood	Talmadge
Mansfield	Pearson	Thurmond
McClellan	Pell	Williams, Del.
McGovern	Proxmire	Yarborough
McIntyre	Ribicoff	Young, N. Dak.

NOT VOTING—27

Baker	Jackson	Murphy
Cannon	Jordan, Idaho	Pastore
Cotton	Kennedy	Prouty
Curtis	Magnuson	Randolph
Dodd	Mathias	Russell
Goldwater	McCarthy	Tower
Goodell	McGee.	Tydings
Hartke	Moss	Williams, N.J.
Hatfield	Mundt	Young, Ohio

So the amendment of Mr. SMITH of Illinois (No. 895) was rejected.

Mr. ELLENDER. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. TALMADGE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 889

Mr. MONDALE. Mr. President, I call up my amendment No. 889 and ask unanimous consent that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

AMENDMENT No. 889

On page 61, line 22, strike out "ninety days later" and insert in lieu thereof "within ninety days".

On page 64, between lines 2 and 3, insert the following:

"(d) The provisions of this section shall not be effective after December 31, 1973.".

Mr. MONDALE. Mr. President, the key portion of the amendment would limit the duration of the class I base plan as recommended by the committee of a 3-year period rather than for the permanent period proposed in the bill. The reason why the Senator from Wisconsin (Mr. NELSON), I, and others feel that this class I base plan should be so limited is that we believe far more needs to be known about the working of the plan before it becomes permanent. We created it in the 1965 act and I supported it. We made it a temporary bill so that we could learn how the program would work before we extended it. Unfortunately, only a few such class I base plan orders were created and we knew very little about its actual operation. Therefore, I believe that we should have a further period of experimentation before we make it permanent, especially in our area in Minnesota where we have a good deal of high quality and reasonably priced milk which could be easily affected by the class I base plan ordered created under this provision.

In view of the time and the lateness of the hour. I do not intend to press this amendment tonight. Moreover, in view of the fact that the House bill as adopted proposed only a 3-year extension, it is possible that this issue could be worked out in conference and take into account the concerns felt in Minnesota as I have expressed them here tonight.

Mr. President, we recognize the merits of the objectives of the class I base plan approach included in title II of the Agricultural Act of 1970 and believe this bill is a substantial improvement over the specific provisions of the 1965 act pertaining to the class I base plan.

There are two changes that need to be made to further improve this legislation.

First, change "shall ninety days later" to "within 90 days" in order to be consistent in treatment of producers. I am pleased the committee has accepted this as a technical amendment to the bill.

Second, reestablish the House provision for a 3-year extension of class I base plans to December 31, 1973.

A 3-year extension of the class I base plan rather than making it permanent as the Senate bill does, is needed, Mr. President, as we believe that we need far more experience with this new innovation in milk marketing before we give it permanent status.

Only one market in the Nation saw fit to establish a class I base plan under the provisions of the 1965 act, particularly the allocation of additional base as the market grew was completely unequitable between old and new producers.

This bill should go a long way in correcting these problems, but we in the Upper Midwest have a lot of high quality, reasonably priced milk that has not been a part of any marketing order, but things are changing.

In the past 2 years, significant changes in the market structure of Minnesota and Wisconsin milk is beginning to occur.

A grade A standby program has been established providing an opportunity for a good many producers to shift to grade A.

More important has been the Organization of Associated Milk Producers, Inc., and Mid-America; large regional co-ops whose major interest in the past has been fluid-milk markets. Now they have manufacturing plants in Minnesota and Wisconsin and there will be additional pressure and opportunity for their producers to shift to grade A.

In addition, Land O'Lakes is giving much more emphasis to the fluid milk side of their operation. This also provides an opportunity for more producers to shift to grade A.

So it is not just the changes in the 1965 act that we must consider, but also the changes occurring in our markets.

This bill gives the Secretary certain discretionary power in establishing bases for new producers without milk production history—section II—and in establishing "terms and conditions including those which will prevent bases taking on an unreasonable value," clause (f). Bases in the Pudget Sound order did take on a high value which, if not changed, would in the longrun make entering into dairying by a young farmer a very expensive venture.

It would also increase the cost of milk to the consumers.

It is for these reasons that we believe this portion of the bill should have a 3-year time limit. If experience during these 3 years shows this to be a workable program, we would be happy to have it made permanent at that time.

Mr. NELSON. Mr. President, when the present farm program was established in 1965, a new dairy program—the class I base plan—was created.

The class I base plan is a two-price plan designed to reduce Government dairy surpluses and improve farm income. Under the plan, farmers who vote by referendum to accept the program within a certain market area will be paid two prices for their milk—a higher one for fluid or bottled milk and a lower price for that portion of their milk used in manufacturing cheese, butter, nonfat dry milk, and other dairy products. According to the marketing order, dairy farmers are allotted a specific percentage or base of the higher priced fluid milk on the basis of past production and are encouraged under the plan to reduce their milk production and keep it in better balance with the fluid milk needs of the market.

When my colleague from Wisconsin (Mr. PROXMIRE) proposed this program first in 1963 and again in 1965, I supported its enactment because I believed that the program, properly administered, could help reduce dairy surpluses in areas of excess production. I also supported the plan because, as proposed by Senator PROXMIRE, it included safeguards for free access to a milk marketing order by providing that farmers who delivered milk, but not under the order, at the time the bases were initially allotted, would receive bases on the same terms as those farmers who initially received bases under the order.

However, the specific safeguard that was contained in the original bill proposed by Senator PROXMIRE was not adopted by the House-Senate conference which considered the bill. In its place was a provision that enabled new producers to obtain bases in the event that there was enlarged or increased consumption in the market. While this modified version offered some assurance for access to a class I base plan market, it certainly did not reflect the total access guarantee that was included in the initial Senate proposal.

I believe that a plan of this nature should be available to farmers in areas of surplus production to get their milk production in better balance with the fluid milk needs of the local market. However, at the same time, when new milk can be used in that market area, the producers of that milk, whether they be new local farmers or farmers shipping milk from distant locations, should receive the same price for their milk as the farmers traditionally serving that market.

The modifications to the original class I base plan that are contained in the bill approved by the House of Representatives and the bill reported by the Senate Agriculture Committee represent a definite step toward the concept of the free flow of milk to all markets that was contained in the legislation first passed by the Senate to establish such a plan.

The language proposed by the Senate committee benefits both consumers and farmers by giving the Secretary of Agri-

culture the discretionary authority to allow both new and distant producers to receive the same price for their milk used in a market as the farmers already established within that market as soon as he deems it appropriate, and not later than 90 days after the initial delivery.

Without this opportunity for fair prices, there will be no incentive for new milk to be shipped to the market. The supply of milk will be scarce and milk prices to consumers will skyrocket to artificially high levels.

Without this provision, a dairy farmer without a base supplying milk to a market would receive only the lower manufacturing price, around $4.50 per hundred pounds, for his milk regardless of the higher class I price, usually $6 or $7, that producers with bases would receive. The dealer who handles the new producer's milk would have to pay the $2 or $3 difference between what he paid the new producer and the regular class I price to the market pool for distribution to producers who have bases. So in addition to getting a premium price for their milk, the established producers would also cash in on the extra dividends in the market pool at the further expense of new farmers.

In my judgment, this provision makes congressional intent absolutely clear that there must be the right of access in both physical and economic terms in all milk markets across the country.

TERMINATION DATE

The class I base plan section 201 has been singled out from the entire farm bill to become permanent legislation. There are a number of new provisions authorized by section 201 dealing with class I base plans. They are innovative and untried. It is not known whether they will in fact be workable or desirable for all concerned. Therefore, the 3-year termination date which applies to all other sections of the bill should also apply to the class I base plan provisions, as was done in the House version.

There have been a number of expressions indicating that the proposed legislation provides more freedom for the movement of milk between markets than is currently authorized in the 1965 Agricultural Act when class I base plans are in effect. However, it is important to note that all restrictions have not been completely removed.

Section (f) (v) provides the method by which producers who have a history of deliveries to other markets during the base period will receive bases upon becoming producers and entering a market which has a base plan in effect. While such producers would receive a base, based on their past history of production, at the end of 90 days after beginning deliveries to the new market, they are required to receive the lowest use class for their milk up to the first 90 days of delivery.

There are a large number of dairy farmers who shift between Federal milk marketing orders depending upon the supply and demand balance for given markets. When certain markets become deficit, it is normal that some of the producers delivering to other nearby markets will shift their deliveries to the deficit markets. The provision, section (f) (v), as now constituted would be a tremendous deterrent to such shifts and would cause artificial inflation of milk prices in the deficit area. There is no conceivable reason that a dairy farmer who has a history of production during the base-making period but who has been delivering to other markets should not be granted the right to deliver to any market for which he obtains the necessary health and sanitation permits. Contrary to all of the statements indicating free access to markets where class I base plans are in effect, the fact of the matter is substantial barriers and restrictions can still develop in class I base plan markets.

Another restriction relating to the entry of new producers is found in section (f) (ii). This section pertains to dairy farmers who were not producing milk during the base period. Such new dairy farmers upon becoming producers under the order are to be allocated bases within 90 days after their first regular delivery. However, it is my understanding that there is no guarantee as to what portion of their deliveries will be included in their base. It might be 5 percent, 10 percent or any amount so specified in the order. The provision also provides that after such producers have been allocated a base, it will automatically be reduced by 20 percent for some period of time not to exceed 3 years.

The surpluses of milk products that burdened the market a few years ago have lessened. In fact, the Secretary of Agriculture has taken action during the past several years to maintain support prices for milk at or near the maximum authorized by law in order to maintain milk production. The provision which is referred to could be a substantial deterrent to the entry of new dairy farmers into milk production. The legislation which contains these kinds of provisions should not be made permanent.

It is also a fact that high capitalization of bases is more likely to occur when order provisions are permanent than when they have a short period of termination.

Even now in the Pudget Sound market, bases have been priced for transfer at as much as $18 a pound—with a daily production level of 1,000 pounds of milk, that amounts to $18,000 for the mere right to produce milk for the Puget Sound market—not for farm buildings, equipment or cows. That is the value of a base when the authorizing legislation was on a 4-year term. How high the valuation might go under permanent legislation is impossible to imagine.

With the provisions contained in the bill limiting the access of new dairy farmers and producers who have a history of production but deliver to other markets, the ingredients for bases accruing a substantial market value are present. That is to say if dairy farmers who do not have bases receive a lower price than those who do, there is an automatic incentive to buy bases from the dairy farmers who already have them. If that right to deliver milk under the purchased base extends only for a limited period of time, the dairy farmer producing it would probably not pay as much as if the authorizing legislation were extended indefinitely.

In addition, it seems unwise to make this program permanent at a time when the marketing patterns for milk and dairy products in the United States is undergoing significant change. Because of the rising cost of operating a dairy farm, there has been a steady exodus of farmers from dairying over the past few years. In most cases, this means that new milk may be needed on short notice in those areas to keep up with population growth alone.

There are also increasing reports about the establishment of national standards covering the production of milk for manufactured products such as butter, cheese, and nonfat dry milk. These standards may result in many present producers of manufacturing milk deciding to go out of business rather than investing money in order to meet the improved standards.

Therefore, the supply of milk in most regions of the country, other than the Upper Midwest, available for future conversion to fluid milk uses, when the demand occurs, will simply not be in those areas and will have to come from the Upper Midwest.

Therefore, if the Class I base plan needs modification, that modification will be far easier if it comes up for automatic review rather than facing the difficulty of revision a permanent statute.

For these reasons, it is my belief that a 3-year term should be placed on the extension of this program to bring it in line with the House proposal.

Mr. MONDALE. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DOLE. Mr. President, the farmers who produce our food and fiber are receiving the same prices for the fruits of their labor that they were receiving 20 and 30 years ago. As the distinguished senior Senator from North Dakota stated last evening, average wheat prices received by farmers in 1969 were lower than at any time since 1942.

I commend the chairman, Senator ELLENDER, and the ranking minority member, Senator AIKEN, of the Senate Agriculture and Forestry Committee, for their leadership. Their remarks yesterday clearly reveal their knowledge and experience in this field.

The statements of other members of the Senate Agriculture Committee demonstrate the thought and consideration given this bill in committee. I will not repeat the figures my colleagues have quoted, but this data substantiates their unanimous accord that farm prices must not be lowered. The prices received by farmers must be maintained if the efficiencies of increased production are to benefit our agricultural producers.

The Department of Agriculture reported this year that farm income has reached an all time high—an annual average of $5,537 per farm. Welfare recipients are asking for a minimum guaranteed annual income of $5,500. The average farm income figure is accurate. The proof of its accuracy is that 147,000 people left the farm during 1969. These

people cannot earn a living at the prices paid in today's farm commodity markets. In my home State of Kansas the average farm income in 1969 was $5,587.

The average farmer has an investment in land, buildings, and equipment of over $50,000—yet his income is far less than a laborer in the city who has little or no capital investment.

This is not the time to lower farm income.

This is no time to lower the prices farmers receive for their commodities.

As a member of the Senate Agriculture and Forestry Committee, I can assure you this committee amended the House-passed bill with the primary intention of providing safeguards to protect present farm income.

FOOD FOR PEACE

Since my distinguished colleagues explained the details of the several grain and cotton titles of the bill yesterday, I would like to comment on title 7 which extends Public Law 480, commonly known as the food-for-peace program.

During four terms in the House of Representatives, service on the House Agriculture Committee emphasized the importance of Public Law 480 to agriculture in this country and the free world.

Hopefully this program will continue to expand and end up in feeding the hungry around the world and in turn help pay our Government expenses in foreign nations.

Section 406 of Public Law 480 contains a provision for a farmer-to-farmer program to be administered under this law. As author of this section, I am hopeful funds can be appropriated to implement this program. It would provide funds for American farmers to train farmers in foreign nations to employ agricultural practices to help them produce their corps more efficiently and in greater abundance.

RURAL DEVELOPMENT

As I mentioned earlier, the Department of Agriculture reports the Nation lost 147,000 in farm population last year. This exodus from the farm to urban centers must be stopped. Many of the problems we now find in urban centers result from increasing population density, which is compounded by the shift from rural to urban areas. President Nixon has stated his desire is to "reverse" this outmigration from rural areas. The distinguished Senator from Georgia (Mr. TALMADGE), whom I joined in cosponsoring the rural development amendment in committee, commented yesterday on rural outmigration. I would add that the Department of Commerce reports rural outmigration between 1950 and 1960 indicated a total of 4.6 million people moved away from the rural counties. Commerce Department figures also show these people move from the farm to industrial centers. These industrial centers are often the centers for some of our greatest social and human problems.

What every Senator acknowledges is the need for rural development and the hope it holds for solving some of the problems of urban America. The Talmadge-Dole rural development amendment, title 9 of this bill, is a start toward reversing rural outmigration.

The title specifically asks for research and reports to Congress on five critical areas that are basic in planning for social and economic development:

First. Location of Federal facilities: It directs all Government departments and agencies to establish and maintain policies and procedures to assure preference in the selection of the location of new offices and other facilities in areas of lower population density.

Second. Planning assistance: It directs further cooperation between the Department of Housing and Urban Development and the Department of Agriculture in planning for the development of rural multicounty economic areas not included in economically depressed areas. This emphasizes the importance of collective planning for further growth of rural areas.

Third. Information and technical assistance: Since planning requires research and information, this section provides guidelines to the Department of Agriculture that will assure the availability of this technical assistance to the leaders of rural communities.

Fourth. Government services: This section assures that rural communities will be treated with the highest priority in the provision of all Government services. Emphasis is made for the provision of adequate transportation, communication, water and sewer systems, health and medical care, protection and educational facilities.

Fifth. Financial assistance: This section requests a report on the possible utilization of the Farm Credit Administration and agencies of the Department of Agriculture to provide needed financial assistance in developing rural America.

These reports will serve Members of Congress as foundations for research from which to formulate additional rural development legislation involving jurisdiction and operations of many departments and agencies of Government—Agriculture, Health, Education, and Welfare, Housing and Urban Development, Transportation, Commerce, and others.

The Agriculture and Forestry Committee unanimously endorsed this amendment.

This bill is not perfect. We know this. However, the bill did pass the House of Representatives by the largest margin a farm bill has passed that House in many years. The vote was 212 to 171. The House vote in September 1968, to extend the present program 1 year passed the House by only 189 to 171, a more customary margin.

Strong support in the Senate will be most valuable in enabling the joint conference committee to work out a worthwhile compromise bill.

Mr. COOPER. Mr. President, as I said last evening during commencement of debate on the Agricultural Act of 1970, that it would be very critical if a farm bill were not enacted this year. The bill before us generally extends, with some modifications, the feed grains, wheat, cotton, and wool programs—including price support loan and payments, and acreage diverted or "set aside" to conservation purposes. Nothing in the bill approved by the Senate or passed by the House makes any change in the support program for tobacco.

It was my privilege to serve as a member of the Committee on Agriculture for 5 years, and to help develop the 1965 farm programs which have been in effect and which will be extended, with changes, by the 1970 bill. Without legislation we would revert to the old programs which were in effect prior to 1965 and which built up tremendous and costly surpluses, depressing market prices. Since 1965, the farm surplus has been worked down, and the prices farmers receive have increased. Farmers still face a difficult cost-price squeeze.

I am particularly concerned about the corn blight which, while already estimated to reduce the crop 6 percent nationally, the Department of Agriculture officially estimates at a loss of 16 percent in Kentucky. The loss may run much higher, especially in affected areas, and those I have talked to in western Kentucky and in the Kentucky Farm Bureau are very worried.

I hope the Secretary of Agriculture will take all steps to insure the production of resistant seed for 1971 planting, and will report to the Congress on additional recommendations. Not only must preparation be made for the 1971 crop, but also some provision for those farmers who may suffer a large crop loss. I suggest the Department consider allowing those farmers who suffer blight loss to plant additional compensating acreage next year, without regard for the limitations otherwise applicable.

It may be that hard-hit counties should be declared emergency areas, just as in case of drought the Secretary may permit the grazing of diverted acres, with the restrictions on planting removed to the extent necessary to replace losses from corn blight.

The occurrence of blight reminds us that crop reserves are not always "surplus," but may be valuable insurance and at times a blessing. But beyond this lesson, I believe provision must be made for those farms hit hard by corn blight, who will suffer loss of income this year. I suggest consideration also of releasing to such farmers Government stocks of corn in an amount to make up their losses, at a reduced price or even at the loan rate.

Mr. President, I would like to give some facts regarding agricultural production in my State of Kentucky.

While Kentucky is becoming more industrialized, it can still be characterized as a "farm" State. While it is not the largest producer of any of the basic crops, it ranks second in the production of tobacco, and produces all of the other basic crops—including some cotton—except rice and peanuts.

Gross farm income in Kentucky reached $1 billion for the first time last year—1969—on its estimated 120,000 commercial farms, averaging in size 140 acres; 1969 gross farm income was $7,819 per farm—net farm income $3,128. Several years ago Kentuckians, including the Governor's commission on agricul-

ture, had set as a goal making Kentucky a "billion dollar farm State," and this goal has now been realized, largely through increased diversification, livestock and a growing feeder cattle and feeder pig production.

Livestock and livestock products income reached a record high last year. Farm receipts from livestock and livestock products were $445 million, while receipts from crops were $380 million. Kentucky ranks tenth in the Nation in the numbers of beef cows—and it is a familiar sight to see farms raising cows with calf at side.

Burley tobacco accounts for nearly three-fourths of the crop income—$290 million but figured on crop year rather than calendar year. The 1969 crop was 406 million pounds averaging $69.82.

The State is also tenth in numbers of dairy cows—2 years old and older—12th in milk production; fifth in the production of cheese; second in the production of evaporated milk, and ranks 13th in number of hogs.

The 129,000 farms have feed grain bases, totaling 2 million acres, with the average feed grain base of about 15 acres.

It was my honor to introduce, joined by Senator Alben Barkley in 1948, the amendment which provided a 90-percent parity support for tobacco, which has been maintained since that time. The bill before us offers farmers better assurances of fair prices and better prices than the House bill. I support it strongly and hope that it will be approved by the Senate and then by the House.

Mr. President, I do not believe the contribution of farmers to the economy, industry and nutritions of our Nation is known by many people of our country.

The report of the committee has an admirable section etitled "Agriculture's Contribution to the American Economy." I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

AGRICULTURE'S CONTRIBUTION TO THE AMERICAN ECONOMY

It would be as difficult to exaggerate the impact of American agriculture on the American economy as it would be to describe fully its importance. American agriculture with its efficiency, increased production and productivity, advanced research efforts and contributions to the economy through export levels, labor use, purchasing power, and supply of raw materials must never be considered lightly. Farmers have always fed and clothed the American population, protected its resources, and looked ahead to the future. They have contributed toward feeding us less expensively and have allowed Americans to spend more of their take-home pay for luxuries they might never have afforded otherwise. Increased production levels have contributed greatly toward feeding hungry and malnourished Americans who would otherwise not be able to share in American abundance. Agriculture's contribution to American industry and to the American economy are extensive and certainly classify it as an industry of major importance to us all.

A picture of American industry would be bleak without the contributions of large volume purchases by farmers of goods and services. To produce crops and livestock farmers spend over $38 billion a year for goods and services and another $12 billion a year for food, clothing, drugs, and other essential consumer items. Five percent of total yearly steel production is bought by commercial farmers. This 6.5 million tons of steel is purchased in the form of farm machinery, trucks, fencing, and building materials. Farm industry use of steel amounts to about one-third as much as that of the automotive industry. In 1966 primary metals industries spent $2.2 billion for equipment and new machinery, while farmers bought $4.9 billion worth of tractors, machinery, equipment, and motor vehicles. Farmers spend over $4 billion yearly for fuel, lubricants, and maintenance of vehicles and machinery, and use more petroleum products yearly than any other single U.S. industry. Yearly purchases of lime and fertilizer products run to slightly more than $2 billion. Of total rubber used in the United States, 7 percent—about 360 million pounds—is purchased by farmers. This is equivalent to the amount needed to put tires on 7.5 million automobiles. Two and one-half percent of the Nation's total yearly electricity production of 32 billion kilowatt-hours is used by farmers annually.

Farming as an industry employs more than 5 million workers. This figure represents more than the total number employed by transportation, public utilities, the steel industry and the automotive industries combined. An additional 3 million are paid as hired farmworkers. The increase in capital and mechanical inputs has freed valuable manpower to other vital and growing industries of the Nation and has created jobs outside agriculture itself.

Thirty percent of all jobs in private employment are agriculture related. Over 110,000 people are needed to produce farm equipment and more than 40,000 jobs are required to produce steel in products for farm use. The storage, transportation, processing, and merchandising of farm products employed some 8 to 10 million people in 1968. Meat preparation, packaging, and poultry dressing employs nearly 300,000; their payroll is close to $2 billion. Almost 240,000 people are employed in the production of dairy products at an approximate payroll of $1.5 billion. Baking industries pay out about $2 billion to 275,000 employees. Industries for processing fruits and vegetables employ almost 190,000 people who earn a total combined salary of over $800 million. Six million more Americans have jobs providing the supplies farmers use for production and for their personal comforts. Without the raw materials supplied by U.S. farmers which help to generate new jobs and new businesses, industry would be at a near standstill.

Agriculture's contribution to the American economy has been enormous. As a consumer in 1969, agriculture spent $6,634 million for feed—twice what it did in 1950 and nearly one and one-half times the amount in 1960. Purchases of livestock ran to $4,174 million—more than double the 1950 figure. Over $2 billion worth of lime and fertilizers were purchased by farmers in 1969.

As taxpayers in 1969, farmers paid $2.3 billion in farm real estate taxes, $446 million for personal property taxes, $1.9 billion in Federal and State income taxes, and $350 million in sales taxes. Interest payments on farm mortgages were more than $1,600 million. Nearly $3,192 million was paid to almost 3 million hired farmworkers in 1969. About $1.3 billion was made in rent payments. The people employed either directly in agriculture production or in agriculture related industries helped substantially to keep unemployment figures low.

In 1968 agriculture assets were $281 billion, the equivalent of about two-thirds of the value of capital assets of all corporations in the United States, or about half the market value of all corporation stocks on the New York Stock Exchange.

Agriculture plays a vital role in creating a favorable balance of trade. Production from 1 of every 5 acres harvested is exported, making the United States the world's largest exporter of farm products accounting for 20 percent of world agricultural trade. In fiscal year 1970, record commercial sales for dollars pushed total agricultural exports past the $6.6 billion mark. This represented only slightly less than one-fifth of total nonagricultural exports for the same period. Fiscal 1970 marked the first time a single market purchaser of American farm goods, in this case Japan, had bought over $1 billion worth of products in 1 year. Exports of animals and animal products totaled $773 million; animal fats and oils, $213 million; dairy products, $109 million; poultry, $55 million; fruits, $341 million; and foreign sales of grains reached $2,348 million. With exports totaling over $6.6 billion and imports at $5,481 million, a favorable balance of trade in agricultural products was achieved.

If the American citizen is not fully aware of the importance of agriculture to U.S. industry or of its generous contribution to the well-being of the American economy, he certainly should realize what benefits he reaps as a consumer of agricultural products. The increased efficiency and use of modern know-how in the production, harvesting and marketing of food and fiber products means that the consumer spends a smaller percentage of his take-home pay for a higher quality and a wider variety of products than ever before. Over the years farmers have succeeded in using advanced chemical fertilizers, pesticides, modern labor- and cost-saving machinery and sophisticated livestock breeding techniques to increase production levels, increase yields per acre and increase meat and poultry production with smaller amounts of cropland and labor hour inputs. Today's farmer produces over 20 percent more on 6 percent fewer acres than he did in 1957–59. He produces food and fiber to meet the needs of an increasing population with fewer man-hours of labor and a smaller farm labor force.

In 1950, there were 152 million people in the United States. The farm population was 23,048,000—about 15.3 percent of the total population. Farmers fed and clothed them by harvesting 336 million acres with an input of 15,137 million man labor-hours. Total farm production for the period from 1947 to 1949 was 85 (using 1957–59=100 base). By 1960, with an input of 9,795 million labor hours on 317 million acres, output was 106. In that year, when the U.S. population was increased to 180.7 million, the number of farmworkers had dropped to 15,635,000—8.7 percent of the total population. By 1968, farm efficiency had risen to the point where 10½ million farmworkers—only 5.2 percent of the U.S. population of over 201 million—could produce on only 297 million acres with 6,998 million labor hours enough food and fiber for the Nation. Farm output had risen to 120. Land released from production because of higher per acre yields has been allowed to rest and regain its fertility. Much of this diverted acreage is now used for conservation purposes.

Efficiency of the U.S. farmer means that productivity of the American farmworker in the 1960's increased by 6 percent a year, while in other industries the figure was only 3 percent. One farmworker today produces food, fiber, and other farm products for himself and 44 other Americans. Today 1 hour of farm labor produces seven times as much food and other crops as it did 50 years ago. Production sufficient to feed over 200 million people today uses only one-third the amount of labor as was required to meet the needs of only 91.9 million people in 1910. Output per man-hour on the farm increased by 83 percent from 1957–59 to 1969.

A look at the increased efficiency of Amer-

ican agriculture over the years is more impressive still when compared with figures from other countries. In 1968, when only 5.2 percent of our population fed, clothed, and helped to house us; in Canada the figure was 11 percent; in Denmark, 15 percent; in France, 18 percent; in West Germany, 11 percent; in Japan, 24 percent; and in the U.S.S.R., 32 percent. The gap becomes even wider with the realization that none of these nations produces the abundance and the amount of export commodities we do.

These increases in production and improvements in production efficiency have been reflected in better buys for consumers at the supermarket. Between the base-period years of 1947–49 and 1969 when the price of all items on the cost-of-living index rose by 57 percent, such things as rent increased by 63 percent and medical costs increased by 124 percent. However, in that same period, food costs rose only 48 percent. In 1969 the American consumer spent only 16.5 percent of his take-home pay for food. That represents a substantial drop from 20 percent in 1960. The average customer in Western Europe spends 25–30 percent of his income for food; in the U.S.S.R. the figure is 45–50 percent; and in Asia the purchase of food takes 75–80 percent of per capita income. For 1 hour's factory labor Americans can now buy nearly two times as much steak, twice as much bacon, and almost twice the amount of milk as they could in 1948.

For his expenditures in 1969, the American consumer received food products of higher quality, higher nutritional value, and of a wider variety of processed and packaged forms than ever before. A higher standard of living, combined with increased efficiency of marketing, packaging, and transportation methods allowed Americans to purchase preferred food items—5.4 percent more livestock products, 42 percent more poultry, and 35 percent more beef than 10 years ago.

Not only is there more food at lower prices, but the food is better. Extensive research and food processing innovations have given the consumer new food products of higher nutritional value. Genetic selection of livestock has produced leaner, more flavorful meats and higher milk production. Combined efforts of producers and the Federal Government insure that meat, poultry, and dairy products will be inspected and graded and sold with a guarantee of purity.

Much of consumer benefit is a result of agricultural research. Work with fiber processing has produced cottons that are wash and wear and wrinkle resistant. Many wools can now be machine washed. These developments not only save the consumer money on cleaning bills, but also save him time. Newly developed farm equipment now picks fruits and vegetables faster, cutting production costs. New machinery frees labor and reduces damage to crops at the harvest stage thereby reducing wastes and yielding higher production levels. Research in irrigation and conservation practices help to preserve America's natural resources and increase effective use of much potential cropland.

In creased production has meant abundances of food products with which we can support food programs to help needy Americans. The school lunch, school milk, direct distribution, and food stamp programs are only some of many projects which are feeding and nourishing millions of American children and adults. Abundant production has enabled us to build essential reserves which can be called upon in case of emergency.

Mr. MILLER. Mr. President, I suppose that no farm bill that has ever been presented to the Senate has been all one would like it to be, and that is assuredly true in the case of the pending bill.

What is important, however, is whether the programs set forth in this bill represent an improvement over what we now have. This, I believe, is the case.

Most of us, I believe, realize that farm programs are necessary and will continue to be necessary for quite some time. An indepth study by the research center at Iowa State University of 2 years ago provides ample testimony to the disaster which would befall the farm sector of our Nation if farm programs were discontinued. It is true that these programs cost the taxpayers a great amount of money every year, but, in exchange for this cost, the consumers of our Nation have long benefited from the highest quality, lowest cost food and fiber of any nation in the world. If farm programs were done away with in the present circumstances, this benefit would not be assured for the future, because many reasonably efficient producers would be forced out of business and their production would be lost. Greater reliance would have to rest on production from other countries—and such reliance would be fraught with deep risk to the Nation's security. Additionally, the social consequences to affected agricultural producers, local communities, and the giant agribusiness industry would be catastrophic; and the cost to the taxpayers to even partially relieve these social problems would be tremendous.

So the question before the Congress and before the people is really not whether or not there will be farm programs, but rather what kind of programs we shall have. The kind of programs are terribly important and go far beyond the matter of dollar-and-cents cost to the taxpayers and dollars-and-cents income to producers. The economic system of this Nation is capitalism—"peoples capitalism," it is often referred to, because, unlike the laissez faire capitalism of a hundred years ago, our Federal and State governments have developed laws and regulations calculated to make this system work for the best interests of not only those who risk their capital, but those who supply their labor and those who consume the goods. A study of history will show that where a basic industry, such as agriculture, moves away from capitalism, it is only a question of time when other segments of industry follow. What happened in Germany under Adolph Hitler will serve as a particularly dramatic example. Farm programs which tend to move agriculture away from the capitalistic economic system should be avoided—except in the case of genuine emergency. Farm programs which tend to strengthen the market economy for agriculture are to be preferred.

What concerns me so much about the farm programs we have had in recent years has been that they have tended to make farmers increasingly dependent on the Federal Government for their income. Government payments amounted to $693 million in 1960 and had climbed to $3.7 billion by 1969. National net farm income in 1960 was $11.7 billion; and, in terms of 1960 dollars, it was $13 billion in 1969. Without the increase in Government payments, 1969 income—in terms of 1960 dollars—would have been only $10 billion. This is why I say that farm programs in recent years have tended to make farmers more dependent on the Federal Government for their income.

The taxpayers who have footed the bill for these payments have benefited greatly. In 1960, 20 cents per consumer dollar went for food. In 1969, only 16½ cents per consumer dollar went for food. The savings to consumers represented by that difference greatly exceed the cost in taxes needed to make the $3.7 billion in payments to farmers.

During a period of inflation, it might be news to consumers that if they were paying 20 cents of each consumer dollar for food, prices in the grocery stores would be far higher than they are. But actually, food prices have not gone up as high relative to other things consumers buy, and this is basically why farmers have not shared fairly in the national net income—even with Government payments. Another point to be made is that a considerable amount of the increases in food prices have not gone into the farmers' pocketbooks, but into someone else's pocketbooks.

If we really believe in "peoples capitalism," and most of us do, then we must look forward to the day when farmers can rely, with confidence, on the marketplace for all of their income—rather than on payments from taxes paid by consumers to supplement artificially depressed market prices. But the movement toward this goal is going to be gradual if undesirable social consequences are to be avoided.

The pending bill, with its set-aside features—giving farmers wider choice to grow the crops they consider most advantageous, with authority in the Secretary of Agriculture to move a substantial amount of retired acreage into 3, 5, and 10-year retirement contracts—instead of being forced to use only the 1-year retirement contract approach, with further authority in the Secretary to assist small, submarginal farmers to adjust to nonfarming activities—these are all improvements over the programs we now have, and they tend toward a market economy rather than away from a market economy. Frankly, I wish the trend would be more pronounced, but this is a 3-year program, and if it succeeds, we will be in a better position to know how fast and how far we wish to move at the end of 3 years than we are now.

So many jobs in agribusiness are so deeply dependent on a viable agricultural economy that many of us feel it would be an undue risk to enact programs at this time which did not provide assurance for at least the same amount of national net farm income as the present level. This assurance is provided by the bill—as nearly as we can legislate such an objective. And with increased exports of agricultural commodities, for which the bill provides a foundation, the opportunity for improving that income position seems reasonably good.

I hope that the bill reported out by the Senate will, in the main, be retained in the conference committee, because it is a better bill than we received from the House—and it contains better programs than the ones that expire at the end of

this year. It is not all I would like to see, but legislation is the art of doing the possible, and I believe it is the best that can be legislated at this time—taking into consideration the views of the House of Representatives and the many varied interests represented here in the Senate.

Mr. HANSEN. Mr. President, I commend the distinguished Senator from Louisiana (Mr. ELLENDER) and his committee for including an extension of the National Wool Act in the farm bill which is now before the Senate. Title III of the bill would extend the National Wool Act for 3 years, or through December 31, 1973.

In the 16 years that the wool program has been in operation, it has proven to be a sound program. Furthermore, it has worked better than previous wool programs; for example, the purchase program that was in effect in the early 1940's and through which the Government acquired a stockpile of wool which in turn became a depressant when free market operations were resumed after World War II.

After an investigation completed in 1954, the Tariff Commission recommended to the President that the tariff duty on imported raw wool be increased to protect the price support program then in effect on our raw wool.

President Eisenhower felt it would be unwise to raise the tariff due to our close ties with wool producing countries, such as Australia.

In lieu of a tariff increase, the National Wool Act was evolved.

Under the act incentive payments cannot exceed 70 percent of the tariff duties collected on wool and wool manufactures, so payments under the act are related to tariff duties collected.

These payments, however, have always been lower than the tariff duties collected on wool and wool manufactures.

Furthermore, under the National Wool Act, growers have instituted a self-help program to advertise and promote their products, lamb and wool. They are currently contributing 1½ cents per pound of wool sold to finance this worthwhile promotion program.

Last, but certainly not least, the National Wool Act is operated in such a manner that it provides an incentive to growers to improve the quality of their wool and thereby receive the best price possible in the open market.

Wyoming is the second largest wool-producing State in the Nation.

However, all 50 States have wool production. The National Wool Act has proved to be a practical means of providing necessary income assistance to producers while permitting domestic wool to compete with foreign wool and synthetic fibers in the domestic market.

The National Wool Act has worked well for our wool producers, and I highly recommend that it be extended.

Mr. YARBOROUGH. Mr. President, I would like to commend the Senate Agriculture Committee for reporting H.R. 18546 with many strengthening amendments, which make it a far better bill than the House-passed version. The Senate committee bill is better for farmers, businessmen, consumers, and the entire national economy. This bill will not solve the myriad of problems facing the agricultural industry, but it will assure the continued survival of the family farmer, whose rightful position in our economy has been steadily deteriorating despite his yeoman contributions to all Americans.

Throughout my 13½ years in the Senate, one of my greatest concerns has been in helping farmers. I have worked for and supported those programs which best contributed to a sound agricultural policy. For nearly 6 years, I have served on the Senate Agriculture Appropriations Subcommittee, representing and fighting for farmers all over Texas and America. I have fought for parity, for increased appropriations for REA and for rural telephones, as well as many other programs to create a strong rural policy and to protect agriculture in Texas, the Nation's greatest agricultural State.

In the past two decades Americans have reaped great benefits from the modernization and streamlining of the agriculture industry. Following World War II American consumers paid 25 percent of their disposable income for food; today we pay only 17 percent. This compares with figures ranging from 28 to 40 percent in Europe and close to 50 percent in the Soviet Union. Not only does this improvement save each individual American more money to spend on other items, but it also frees billions of dollars which go back into the national economy.

But despite these tremendous improvements for consumers and the national economy as a whole, the farmers and ranchers have been left out in the cold. While the cost of living and the costs of agricultural production have risen, the income for an individual farmer or rancher has lagged far behind. He pays 1970 prices for what he buys—50 percent higher than 20 years ago. But he sells cotton at 1942 prices; he sells corn at 1944 prices; he sells livestock at 1952 prices; he sells wheat at 1942 prices; in fact, he is often forced to sell his products below his actual cost of production. The 1968 farmer's net annual income was more than $1 billion below the net annual income received in 1947. During this same period, farm productivity increased by 50 percent and retail food prices advanced 47.3 percent. But farmers have not been the ones to benefit from this increased productivity, and increased prices for food at retail.

Personally, I would prefer for farmers and ranchers to receive a fair price in today's market, without the need for Government programs and help.

But the fact is that they do not receive a fair price. Under the current conditions, the family farmer simply cannot survive in our inflated economy without the help provided by the farm program.

On October 23, 1969, I jointly introduced with 14 other Senators, led by the capable junior Senator from South Dakota (Mr. MCGOVERN, the bill S. 3068, commonly known as the coalition farm bill of 1970, which was backed by 32 major farmers' groups in the Nation, including among others the National Farmers Organization, the National Farmers Union, the Grain Sorghum Producer's Association, the Western Cotton Growers Association, and the National Rice Growers Association. Since that time many other organizations also endorsed our bill.

The Senate Agriculture Committee's bill is basically the same as our original coalition farm bill, retaining parity and strengthening many farm programs. Although the Senate bill will not remedy all that ails the agricultural industry, it will assure survival. One particular provision I will work to restore in the Senate bill, is parity for feed grains. This was deleted by the House, but I have cosponsored and will join with the distinguished junior Senator from New Mexico (Mr. MONTOYA) in pushing for an amendment on the Senate floor to put back in the bill parity for feed grains, so that our grain sorghum and other feed grain growers will be given protection.

Throughout the history of America, the primary struggle for farmers has been for equality and fairness in the market place. Since New Deal days the chief tool in that struggle for equality has been parity. But now certain interests propose that we eliminate it in favor of a support level based upon average market prices. Thus, it is suggested that we abandon the legislatively approved standard, one in which the Government assumes its proper role of maintaining, protecting, and hopefully, improving farm income. In exchange, we are being asked to turn over to the grain and textile trades the function of determining farm income and Government costs, leaving the farmers out in the cold.

Mr. President, as the senior Senator from Texas, I will continue to fight for those agricultural programs which will protect farmers, consumers, and our overall national economy. I will fight to insure a reliable food supply at the cheapest real cost to consumers ever achieved by any major Nation in history. I will fight to guarantee a stable agricultural economy domestically, and a favorable balance of trade on farm and ranch exports internationally. But most important, I will fight to give farmers and ranchers a fair break in the marketplace and to help them stay on their land, producing those products which feed and clothe our Nation.

Mr. PEARSON. Mr. President, in these days of moon explorations, great international tensions, urban crises, the growing threat of pollution of our environment and the rising concerns about social stability, law, and justice, it is easy to overlook the importance of the legislation which we consider here today. In actual fact, of course, there are few legislative measures before the Congress which are of greater importance to the individual States and to the Nation as a whole than the farm bill.

While it is true that the farm population continues to decline in both relative and absolute terms, the importance of agriculture to the overall national economy is of great significance. This was documented very effectively, I thought, by the report of the Senate Committee on Agriculture and Forestry. And I would

cite just a few examples from that committee report. Each year American farmers spend over $38 billion for goods and services in the production of crops and livestock. As consumers they spend more than $12 billion every year. Of the total rubber used in the United States, 7 percent is purchased by farmers and as the committee report noted, this is the equivalent of the amount needed to put tires on 7.5 million automobiles.

Even more significant is the fact that 30 percent of all jobs in private employment are agriculturally related. These jobs, of course, vary all the way from the individual farmer himself to the millions of workers who are needed to produce the items which the farmer uses to those who produce, distribute, and market the commodities he produces.

For States like Kansas, of course, agriculture is the bedrock of our economy. When Kansas farmers are in trouble, much of our State is in trouble.

But, Mr. President, I would also suggest that agriculture is important to the Nation in much more than an economic sense. American agriculture is basically organized around the family farm. Over the history of this Nation's development, the family farm has proved to be an extremely valuable social institution. Its importance is undiminished today.

Therefore, we seek not simply an economically healthy agriculture, but an economically healthy family farm agriculture. The difference may seem slight on the surface, but, in fact, is of major significance.

Except for the 1940's and early 1950's, American family farm agriculture has been in economic difficulty ever since the 1920's. The farm programs adopted during the 1930's and modified periodically since then have helped enormously to alleviate the economic problems facing agriculture, but the farm problem as such, of course, has never been completely solved and if we are candid, we will not claim here today that the bill before us will somehow eliminate all the economic problems which continue to bear down on the family farmer.

However, it is my judgment that the Senate Committee on Agriculture and Forestry has reported a bill which is basically sound and which should be adopted.

Title II, dealing with the dairy segment of agriculture, is well designed and I am sure generally acceptable. The same, I think, applies to title III, dealing with wool. And, although I recognize the great importance of the cotton industry, I shall limit my comments primarily to the sections of the bill dealing with feed grains and wheat and also the new title, which was added this year dealing with rural development.

Wheat farmers in Kansas are already sowing the seed which will become next year's crop. I know that a great many of them have been extremely frustrated over the fact that Congress has not already adopted new farm legislation. This has enormously complicated the decisions they have had to make about their cropping patterns.

For this and also for other reasons, I very much support that provision of the Senate bill which provides for the extension of the present program through the 1971 crop. And then by next spring the farmers will be in a position to make a more informed judgment as to whether they want to continue with this program or to shift to the so-called set-aside approach.

The minimum loan level of $1.25 is, I think, essential. Because of the experience of the past year or so, there is considerable evidence to indicate that the expenses involved in producing a bushel of wheat are so great that the $1.25 floor is of critical importance to the wheat farmer economy.

The retention of the wheat marketing certificate is also desirable and the use of 100 percent parity on that portion of the farmers' production used for domestic consumption is sound and desirable and certainly fair.

The provision of the bill calling for advance payments to wheat farmers is more controversial, I know, because of the statistical impact on this year's budget expenditures. However, these advance payments are an important source of credit to farmers. They need to be maintained. I opposed elimination of advance payments last year. I favor their restoration this year.

The provision in the Senate bill dealing with feed grains are very much similar to the feed grains portion of the farm bill recently passed by the House of Representatives and, indeed, both of these bills are quite similar to the existing feed grains programs. As in the case of wheat I support advance payments on feed grains.

The adoption of a set-aside approach for the feed grains program is a departure from the past pattern and one which, I think, is basically desirable. For one thing, feed grain producers will have sufficient time to come to understand the mechanics of this production control technique prior to their planting season next spring.

Mr. President, the concept embodied in the amendments offered to the feed grain sections by the distinguished Senator from New Mexico and the distinguished Senator from Missouri is of considerable importance, namely, the use of the parity formula to the price-support mechanism on feed grains. It seems to me this is a fair and reasonable proposal. I think there should be some opportunity for the support level to be increased as the farmers' costs of production rise. To enhance the reaching of agreement between Senate and House conferees it is desirable, I believe, that the level be pegged at 75 percent of parity; the specific guarantee of $1.35 is, at this time, a few cents more than 75 percent of parity. But it is particularly important, Mr. President, that we restore the parity support mechanism for feed grains as we have for wheat and cotton.

I have discussed the provisions of this bill with the members of the committee and with officials of the Department of Agriculture and I am rather convinced that the adoption of the bill before us will prevent any significant reduction in price and income levels. This is absolutely essential. Farmers, particularly wheat farmers, already are in very serious trouble. Any downward trend in prices would be intolerable. Indeed, Mr. President, if it were not for the present strength in livestock prices, the Kansas agricultural economy would be in desperate straits.

Mr. President, I want to take this opportunity to commend the committee for adding the new title to the farm bill this year, namely, title IX, "Rural Development." This provision of the bill expresses the commitment by the Congress to a sound balance between rural and urban America. It also calls for some new initiatives intended to help achieve this objective. Over the past several years I have been active on behalf of the cause of rural development. And it certainly seems to me that this is one of the significant new contributions to that cause. I certainly hope that this section will be retained when this proposed legislation is signed into law.

Mr. President, the bill we adopt tonight may not meet the desires of all concerned. But all in all and considering all the countervailing pressures it is, I believe, a basically good bill.

Mr. HARRIS. Mr. President, agriculture is the largest single industry in Oklahoma, and Oklahoma farmers have patiently waited for the Congress to enact new farm legislation to replace the Food and Agriculture Act of 1965 which after a 1-year extension expires this year. I think it is safe to say that practically all farmers would welcome the opportunity to operate without a farm program if it were possible to do so and still guarantee fair prices and a balanced supply of food and fiber for the Nation. Unfortunately, the experience of other countries, such as Canada, for example, has shown that unlimited production of farm commodities brings about economic disaster in the farm sector and threatens the guarantee of an adequate long-range supply of food and fiber.

The Food and Agriculture Act of 1965, through a system of voluntary production controls, has enabled us to substantially reduce the surpluses of farm commodities created during the 1950's, and because of our ability to more nearly gear production to demand, we have been able to stabilize farm markets and slowly strengthen farm prices. The Food and Agriculture Act of 1965 has proven to be good legislation, both for the farmer and for the consumer. But, no legislation is perfect, and that is why I joined with a number of my colleagues in the Senate in the introduction of the so-called coalition farm bill. This legislation, which had the combined support of some 32 major farm organizations called for continuation of the basic provisions of the 1965 act with some needed revisions and improvements which would have further strengthened farm income. The failure to enact any farm bill would have resulted in a reduction in farm income of $1 billion or more, and would have further contributed to the very difficult cost-price squeeze in which farmers find themselves.

The Senate Committee on Agriculture and Forestry has reported a bill which

represents the combined suggestions of the administration, the committee and the coalition of farm organizations. I feel that, basically, the bill is a good one and should be adopted by the Senate. Certain provisions of the bill must be retained in order to give some protection to future farm income. For instance, we must adopt the Senate provision for advance payments for wheat and feed grains producers. With rising costs of production and with continued high interest rates, it is imperative that wheat and feed grain producers who participate in the program be paid at least 50 percent of their production control payments in advance. This provision was not in the House-passed bill, and I am hopeful that the Senate will retain it in its bill and that the conferees will stand behind the Senate version. Further, I feel that we must retain the loan floor as provided in the bill and continue the parity concept for price supports for cotton and wheat as recommended by the committee. I also felt that the same parity concept should have been extended to include feed grains in order to maintain incomes of feed grains producers in future years and because I felt very strongly about the need to include this provision in the bill, I earlier cosponsored an amendment with my distinguished colleagues, Senators MONTOYA and MONDALE, which would have extended the concept of parity to feed grains. I am happy that an amendment was agreed to which extends the concept of parity to feed grains at a level of 75 percent.

I want to commend the committee for developing what appears to be a sound program for cotton, wool and the dairy industry. I feel that the programs suggested will be fair to both producer and consumer, and I am hopeful that the committee recommendations will be adopted.

Mr. President, cash receipts from farm marketings totaled $939.3 million in Oklahoma in 1969. Oklahoma farmers spent $606.6 million for such things as feed, livestock, seed and fertilizer, hired labor, machinery, and miscellaneous expenses, plus $162.7 million for depreciation and $87.3 million for farm property taxes and interest on farm mortgages and rent. Hundreds of communities and thousands of small businessmen throughout rural Oklahoma depend upon a strong farm economy for their livelihood, and without the enactment of a sound farm program such as we are considering here today, I feel that the billion dollar business of farming in Oklahoma is in jeopardy of a further tightening of the cost-price squeeze and additional economic pressures which might force more and more people off the farm and cause more and more small businessmen in rural Oklahoma to close their doors.

I commend the Committee on Agriculture and Forestry for including a section in the bill dealing with rural development. Specifically, I commend the distinguished Senator from Georgia (Mr. TALMADGE) who, I understand, authored the section on rural development. I believe we will all agree that it is in the best interest of the country to develop a national policy which will stabilize our population and perhaps even bring about a reverse in the present trend of population migration from our rural areas into our already overcrowded cities. Development of our rural areas and small towns, with the provision of adequate private jobs for our people in these areas, is the basic answer to this problem, and I feel that nothing short of a full commitment such as recommended by the committee will bring this about. We should have not only a congressional commitment, but a commitment on the part of every level of government—local, State, and Federal—to a policy of sound balance of population between rural and urban America, and I believe that the rural development program contained in this legislation is a step in the right direction toward developing such a policy.

Mr. President, I support the adoption of the pending farm bill as the best we can do this session.

Mr. HRUSKA. Mr. President, commendations for good work are due to the Senator from Louisiana and the Senator from North Dakota and their committee members in getting this bill to the Senate floor and the direction which they have given to the debate on H.R. 18546 up to this time. I do not intend to make any extended remarks but I do feel it is of utmost importance that we proceed with prompt consideration and passage of a farm bill.

While the farm bill reported by the committee is not everything I would like, it is a better bill and provides a better program that we now have.

With fall wheat planting time nearly upon us, however, we must understand the present pressure being felt by the farmers of Nebraska and the other wheat producing States. Basic laws under which they have been operating expire with this crop year. In the absence of new legislation, wheat producers are at a loss as to how they should proceed with their planning and their planting. Of course other producers are in the same situation, but do not have the same pressing time problem.

Because of the critical time problem, I respectfully urge my colleagues to make every effort to complete the consideration of this bill this evening. I appreciate that the committee, along with Secretary of Agriculture Hardin, has been working very hard against a deadline to reach prompt agreement on a good general farm bill. I am asking that the Senate now apply the same urgency to the passage of this bill.

The Nation's farmers have been caught in a vicious cost-price squeeze that has threatened even the most efficient of our family farms. Prices which farmers have to pay have risen well over 100 percent in 15 years, while prices they receive for their crops have remained the same, or in some cases declined.

If we are to maintain a strong national economy, both urban and rural, it is essential we pass a good farm bill. I hope that all Senators—regardless of whether they come from farm States—realize the full importance of a healthy and prosperous agriculture industry. Party and regional interests must be set aside, for the needs of rural America are vital to the interests of urban America.

Productivity and abundance of farm output is a built-in guarantee that wholesale food prices will continue to remain relatively lower than all other items of the family budget. Farmers deserve and must have the opportunity to earn a decent living comparable to workers in other industries. If they cannot, they will leave the farm in increasing numbers. The eventual result will be higher prices for food and a further flight to already overcrowded cities. Consumers stand to lose most if agriculture is allowed to sink into a depression.

Our national economy starts with an agricultural base—a sound, vigorous agricultural industry interrelates with the automotive, fuel, chemical, and other industries that supply and service farmers and from whom the farmer buys. City workers have a vested interest in the agricultural process—in a direct sense the steelworker in Pittsburgh and the tractor maker in Detroit are partners in the agricultural effort.

As I said a few moments ago, this bill is not everything I would like, but it is an improvement. It will give the farmers more flexibility in making their own farm operating decisions and it will put a greater reliance on the marketplace. It seems to me that this feature is sound and in the best tradition of America.

One of the main differences between the Senate version and the House version relates to the price support for corn. The House-passed bill provides for a loan price support not in excess of 90 percent of parity. I do not quarrel with the figure as a ceiling, although I would prefer that it be 100 percent. However, there is no floor provided in the House bill, and that is regarded as a deficiency.

Many of the feed grain and wheat producers are concerned about having a floor which would protect them in the event of adverse circumstances—at least to cover their costs. In my opinion I feel that we should pass the $1 per bushel price support for corn as provided in the Senate bill. Likewise the $1.25 guarantee for wheat will give some of the needed protection to our wheat producers.

In regard to the limitation of farm subsidy payments as provided in the bill, I feel that we must work out a formula that in limiting the payment would at the same time permit the program to proceed and not be impaired by the larger operators withdrawing from the program. If there is to be a program to protect all the farmers, there must be cooperation by the large owners or enough of them to make an impact upon the reduction in production. In my opinion the $55,000 limitation is a desirable limit which will insure the continuation of a workable program. A lower limit would seriously jeopardize the passage of the bill. A failure to pass new legislation would have a disastrous effect on farmers' income.

The main goals which I seek for Federal farm programs are those sought by all of us; namely, to strengthen farm income, stabilize the economy of rural

America, open new markets for farm produce, and give increased freedom of decision to the farmer. This bill will take us a little way upon that road. I urge that we join together to dispose of this bill as promptly as possible.

INDEMNIFICATION OF BEEKEEPERS

Mr. McGOVERN. Mr. President, the farm bill approved by the Committee on Agriculture and Forestry does not include a provision which had been included by the House, relating to the indemnification of beekeepers who suffer pesticide losses. The support would be available to honey producers whose colonies have been damaged since January 1967, through no fault of their own, from the use of commercial pesticides and poisons which have been approved for use by Federal agencies.

As described by the report of the House Agriculture Committee, the provision would place the burden on the beekeeper to show that he took all reasonable precautions and that he did not have adequate warning. There would be no reimbursement in cases where he failed to use the opportunity to remove his colonies from the area of pesticide use.

In my view this provision is both reasonable and necessary. I hope the Senate conferees will accept it.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 18546) was read the third time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time on the bill has now been yielded back.

The question is, the bill having been read the third time, Shall it pass?

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SCOTT. On this vote I have a pair with the senior Senator from South Dakota (Mr. MUNDT). If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. HARTKE), the Senators from Washington (Mr. JACKSON and Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The pair of the Senator from South Dakota (Mr. MUNDT) has been previously announced.

On this vote, the Senator from California (Mr. MURPHY) is paired with the Senator from New York (Mr. GOODELL). If present and voting, the Senator from California would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 65, nays, 7, as follows:

[No. 299 Leg.]

YEAS—65

Aiken	Fannin	Metcalf
Allen	Fong	Miller
Allott	Fulbright	Mondale
Anderson	Gore	Montoya
Bayh	Gravel	Muskie
Bellmon	Griffin	Nelson
Bennett	Gurney	Packwood
Bible	Hansen	Pearson
Brooke	Harris	Pell
Burdick	Hart	Proxmire
Byrd, Va.	Holland	Saxbe
Byrd, W. Va.	Hollings	Smith, Maine
Church	Hruska	Sparkman
Cook	Hughes	Spong
Cooper	Inouye	Stennis
Cranston	Javits	Stevens
Dole	Jordan, N.C.	Symington
Dominick	Long	Talmadge
Eagleton	Mansfield	Thurmond
Eastland	McClellan	Yarborough
Ellender	McGovern	Young, N. Dak.
Ervin	McIntyre	

NAYS—7

Boggs	Ribicoff	Williams, Del.
Case	Schweiker	
Percy	Smith, Ill.	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY ANNOUNCED—1

Scott, against.

NOT VOTING—27

Baker	Jackson	Murphy
Cannon	Jordan, Idaho	Pastore
Cotton	Kennedy	Prouty
Curtis	Magnuson	Randolph
Dodd	Mathias	Russell
Goldwater	McCarthy	Tower
Goodell	McGee	Tydings
Hartke	Moss	Williams, N.J.
Hatfield	Mundt	Young, Ohio

So the bill (H.R. 18546) was passed.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MILLER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. COOK) appointed Mr. ELLENDER, Mr. HOLLAND, Mr. EASTLAND, Mr. TALMADGE, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. MILLER, conferees on the part of the Senate.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the bill be printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, it is difficult to describe just how deeply the Senate is indebted to the distinguished senior Senator from Louisiana (Mr. ELLENDER). Having served longer than any other chairman of the Committee on Agriculture and Forestry, he truly has devoted the greatest expertise and experience possible to the interests and problems of the American farmer and of the American farm. His record for length of service to the agricultural needs of the Nation is equaled only by the depth of his understanding of those needs. To the handling of this measure he applied the immense skill and ability that has characterized his many, many years of public service. We are deeply grateful.

We are grateful as well to the distinguished senior Senator from North Dakota (Mr. YOUNG). He is the ranking minority member of the committee. He, too, has served the American farmer long and faithfully. He, too, deserves the highest praise of the Senate. His strong efforts on this measure were indispensable.

As a final thought I only wish to offer my appreciation to the entire Senate. Each Member cooperated splendidly to enable final disposition of this bill tonight.

BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar

No. 1094, H.R. 6778, I do this so that it will be the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The title of the bill was read, as follows:

A bill (H.R. 6778) to amend the Bank Holding Company Act of 1956, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Bank Holding Company Act Amendments of 1970".

TITLE I—BANK HOLDING COMPANIES

SEC. 101. (a) Section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended to read as follows:

"SEC. 2. (a)(1) Except as provided in paragraph (5) of this subsection, 'bank holding company' means any company which has control over any bank or over any company that is or becomes a bank holding company by virtue of this Act.

"(2) Any company has control over a bank if—

"(A) the company directly or indirectly or acting through one or more other persons has power to vote 25 per centum or more of any class of voting securities of the bank;

"(B) the company controls in any manner the election of a majority of its directors or trustees; or

"(C) the Board determines, after notice and opportunity for hearing, that the company directly or indirectly exercises a controlling influence over the management or policies of the bank.

"(3) For the purposes of any proceeding under paragraph (2)(C) of this subsection, there is a presumption that any company which directly or indirectly holds with power to vote less than 5 per centum of any class of voting securities of a given bank does not have control of that bank.

"(4) In any administrative or judicial proceeding under this Act, other than a proceeding under paragraph (2)(C) of this subsection, a company may not be held to have had control of any given bank at any given time unless that company, at the time in question, directly or indirectly held with power to vote 5 per centum or more of any class of voting securities of the bank, or had already been found to have control in a proceeding under paragraph (2)(C).

"(5) Notwithstanding any other provision of this subsection—

"(A) No bank and no company owning or controlling voting shares of a bank is a bank holding company by virtue of its ownership or control of shares in a fiduciary capacity, except as provided in paragraphs (2) and (3) of subsection (g) of this section, but bank shares acquired after the date of enactment of the Bank Holding Company Act Amendments of 1970 shall not be deemed for the purposes of this sentence to have been acquired in a fiduciary capacity if the acquiring bank has discretionary authority to exercise voting rights with respect thereto.

"(B) No company is a bank holding company by virtue of its ownership or control of shares acquired by it in connection with its underwriting of securities if such shares are held only for such period of time as will permit the sale thereof on a reasonable basis.

"(C) No company formed for the sole purpose of participating in a proxy solicitation is a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation.

"(D) No company is a bank holding company by virtue of its ownership or control of any bank operated within the United States principally for the purpose of conducting or facilitating transactions in foreign commerce, if the Board determines by regulation or order, and subject to any terms and conditions which may be imposed thereby, that such ownership or control would not be substantially at variance with the purposes of this Act and would be in the public interest.

"(E) No trust company which is an insured bank under the Federal Deposit Insurance Act is a bank holding company by virtue of its ownership or control of one bank located in the same State, if (i) such ownership or control existed on the date of enactment of the Bank Holding Company Act Amendments of 1970 and is specifically authorized by applicable statute law, and (ii) the trust company does not after that date acquire an interest in any company that, together with any other interest it holds in that company, will exceed 5 per centum of the voting shares of that company, except that this limitation shall not be applicable to investments of the trust company, direct and indirect, which are otherwise in accordance with the limitations applicable to national banks under section 5316 of the Revised Statutes (12 U.S.C. 24).

"(6) For the purposes of this Act, any successor to a bank holding company shall be deemed to be a bank holding company from the date on which the predecessor company became a bank holding company."

(b) Section 2(b) of such Act is amended—

(1) by inserting "partnership," after "corporation,";

(2) by striking out "(1)";

(3) by striking out ", or (2) any partnership"; and

(4) by adding after the period a new sentence as follows: "'Company covered in 1970' means a company which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act Amendments of 1970 and which would have been a bank holding company on March 24, 1969, if those amendments had been enacted on that date.

(c) The first sentence of section 2(c) of such Act is amended to read as follows: "'Bank' means any institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands which (1) accepts deposits that the depositor has a legal right to withdraw on demand, and (2) engages in the business of making commercial loans. Such term does not include any organization operating under section 25 or section 25(a) of the Federal Reserve Act, or any organization which does not do business within the United States except as an incident to its activities outside the United States."

(d) Section 2(d) of such Act is amended—

(1) by striking out "or (2)" and inserting in lieu thereof "(2)"; and

(2) by striking out the period and inserting in lieu thereof the following: "; or (3) any company with respect to the management of policies of which such bank holding company has the power, directly or indirectly, to exercise a controlling influence, as determined by the Board, after notice and opportunity for hearing."

(e) Section 2 of such Act is further amended by adding at the end thereof a new subsection as follows:

"(i) For the purposes of this Act, no company shall be deemed to own, control, hold shares of, or control the election of directors of any other business entity solely by virtue of attributing to or aggregating with the interests of the company the ownership or other interests of one or more individuals in such entity."

SEC. 102. Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) as amended—

(1) by adding at the end of subsection (a) a new sentence as follows: "For the purpose of the preceding sentence, bank shares acquired after the date of enactment of the Bank Holding Company Act Amendments of 1970, shall not be deemed to have been acquired in good faith in a fiduciary capacity if the acquiring bank has discretionary authority to exercise voting rights with respect thereto.";

(2) by adding at the end of subsection (b) a new sentence as follows: "In the event of the failure of the Board to act on any application for approval under this section within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted."; and

(3) by adding at the end thereof the following new subsection:

"(e) Every bank that is a holding company and every bank that is a subsidiary of such a company shall become and remain an insured bank as such term is defined in section 3(h) of the Federal Deposit Insurance Act."

SEC. 103. Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended—

(1) by striking out paragraph (2) by subsection (a) and inserting in lieu thereof the following:

"(2) after two years from the date as of which it becomes a bank holding company, or in the case of a company which has been continuously affiliated since May 15, 1955, with a company which was registered under the Investment Company Act of 1940, prior to May 15, 1955, in such a manner as to constitute an affiliated company within the meaning of that Act, after December 31, 1978, or, in the case of a company covered in 1970, after December 31, 1975 (or such other date not later than December 31, 1980 as the Board may by order or regulation prescribe), retain direct or indirect ownership or control of any voting shares of any company which is not a bank or bank holding company or engage in any activities other than (A) those of banking or of managing or controlling banks and other subsidiaries authorized under this Act or of furnishing services to or performing services for its subsidiaries, and (B) those permitted under paragraph (8) of subsection (c) of this section subject to all the conditions specified in such paragraph or in any order or regulation issued by the Board under such paragraph: *Provided*, That a company covered in 1970 may also engage in those activities in which directly or through a subsidiary (i) it was lawfully engaged on March 24, 1969 (or on a date subsequent to March 24, 1969 in the case of activities carried on as the result of the acquisition by such company or subsidiary, pursuant to a binding written contract entered into on or before March 24, 1969, of another company engaged in such activities at the time of the acquisition), and (ii) it has been continuously engaged since March 24, 1969 (or such subsequent date). Nothing in this paragraph shall be construed to authorize any bank holding company referred to in the preceding proviso, or any subsidiary thereof, to engage in activities authorized by that proviso through the acquisition, pursuant to a contract entered into after March 24, 1969, of any interest in or the assets of a going concern engaged in such activities.";

(2) by striking out "period" in the last sentence of subsection (a) and inserting in lieu thereof "two-year period";

(3) by striking out that part of the text of subsection (c) which precedes the first

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

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HIGHLIGHTS: Senate passed bills authorizing geothermal resources development and establishing a national lakeshore at Lake Tahoe.
Senate committee voted to report bills re inspection of imported livestock products, clarifying F.S. aerial authority, wheat research, and promotion program, and authorizing marketing orders for almonds.
House appointed conferees on farm bill.

HOUSE

1. FARM BILL. Disagreed to Senate amendment to H.R. 18546, the proposed Agriculture Act of 1970, and appointed conferees. p. H8786

2. APPROPRIATIONS. Agreed to the conference report on H.R. 16900, the FY 71 Treasury-Post Office appropriation bill. pp. H8788-94

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WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

3. OUTLAYS. Received a letter from OMB transmitting a report for the period ended August 31, 1970, on the operation of section 501 of the Second Supplemental Appropriations Act, 1970, establishing a limitation on budget outlays (H. Doc. 91-388); to the Committee on Appropriations. p. H8857

SENATE

4. FARM BILL. Sen. Mansfield thanked Sen. Aiken for his effort in effecting passage of the proposed Agricultural Act of 1971 stating that "No member of this body has better served to satisfy the agricultural needs of this country". p. S15641

5. DISASTER RELIEF. Sen. Tower reported on Federal assistance to Texas disaster victims, placing in the Record the report of the Office of Emergency Preparedness which praises the Department of Agriculture for distributing 68 tons of food to the victims. pp. S15609-10

6. GEOTHERMAL STEAM; LAKE TAHOE. Passed with committee amendment in the nature of a substitute S.368 re use of geothermal resources underlying certain of the public domain lands; and agreed to the House amendment of S. 2208, to authorize a study concerning establishment of Lake Tahoe as a national lakeshore, permitting the bill now to go to the President. pp. S15758-62; S15762

7. MEAT IMPORTS; FOREST SERVICE; WHEAT RESEARCH; ALMONDS. The Committee on Agriculture and Forestry ordered the following bills favorably reported (but did not actually report):
   S. 3942, to provide for inspection of imported meat;
   HR 11953, to clarify aerial facilities authority of the Forest Service;
   HR 13543, to authorize program of research and promotion of markets for wheat; and
   HR 13978, to make marketing orders applicable to almonds.
   p. D1007

BILLS INTRODUCED

8. MEAT INSPECTION. H.R. 19233, by Rep. Hansen of Idaho, to amend the Federal Meat Inspection Act to provide for more effective inspection of imported meat and meat products to prevent the importation of diseased, contaminated, or otherwise unwholesome meat and meat products; to the Committee on Agriculture. Remarks of author, pp. H8848-9

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House of Representatives

WEDNESDAY, SEPTEMBER 16, 1970

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He that dwelleth in the secret place of the Most High shall abide under the shadow of the Almighty. Psalm 91: 1.

O God of all grace and goodness, we thank Thee for this quiet moment of prayer when facing the duties that confront us and seeking to carry the heavy responsibilities committed to our care we can look from the seen to the unseen, from the temporal to the eternal, and in so doing gain courage for these minutes, wisdom for these hours, and strength for these days. In the secret place of the Most High may we tap the resources which make us adequate for our tasks, give us an unswerving devotion to the right, and keep us dedicated to the high purpose for which our Nation was founded.

Amid the confusion and chaos of this generation may we know that Thy truth is marching on and may we here highly resolve that we will walk with Thee and work for Thee in building a world where righteousness and justice and love shall reign and war shall be no more.

In the spirit of the Prince of Peace we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 1247. Joint resolution to amend section 19(e) of the Securities Exchange Act of 1934.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 16542. An act to amend title 39, United States Code, to regulate the mailing of unsolicited credit cards and for other purposes; and

H.R. 18546. An act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 16542) entitled "An act to amend title 39, United States Code, to regulate the mailing of unsolicited credit cards, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS of New Jersey, Mr. BENNETT, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 17123) entitled "An act to authorize appropriations during the fiscal year 1971 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. RUSSELL, Mr. SYMINGTON, Mr. JACKSON, Mr. CANNON, Mr. MCINTYRE, Mrs. SMITH of Maine, Mr. THURMOND, Mr. TOWER, and Mr. DOMINICK to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 18546) entitled "An act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOLLAND, Mr. EASTLAND, Mr. TALMADGE, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. MILLER to be the conferees on the part of the Senate.

TEMPORARY EXTENSION OF FEDERAL HOUSING ADMINISTRATION'S INSURANCE AUTHORITY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of the joint resolution (H.J. Res. 1366) to provide for the temporary extension of the Federal Housing Administration's insurance authority, and ask for the immediate consideration of the joint resolution.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, may I ask the gentleman why this is necessary?

Mr. PATMAN. It is impossible to get the bill through before October 1, and the time expires then. It has been agreed by the committee members on both sides that we ask for a 30-day extension.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 1366

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(a) of the National Housing Act is amended by striking out "October 1, 1970" in the first sentence and inserting in lieu thereof "November 1, 1970".

(b) Section 217 of such Act is amended by striking out "October 1, 1970" and inserting in lieu thereof "November 1, 1970".

(c) Section 221(f) of such Act is amended by striking out "October 1, 1970" in the fifth sentence and inserting in lieu thereof "November 1, 1970".

(d) Section 809(f) of such Act is amended by striking out "October 1, 1970" in the second sentence and inserting in lieu thereof "November 1, 1970".

(e) Section 810(k) of such Act is amended by striking out "October 1, 1970" in the second sentence and inserting in lieu thereof "November 1, 1970".

(f) Section 1002(a) of such Act is amended by striking out "October 1, 1970" in the second sentence and inserting in lieu thereof "November 1, 1970".

(g) Section 1101(a) of such Act is amended by striking out "October 1, 1970" in the second sentence and inserting in lieu thereof "November 1, 1970".

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NATIONAL COMMISSION ON FUELS AND ENERGY

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, those who live in New York City have just come through another power-crisis summer. The threat of blackouts and brownouts has left everyone rightfully distressed with the performance of Government and the utility industry. It is high time that rational planning replace crisis management. By 1990 we will have to triple our national power capacity to meet projected population and industrial demands.

Accordingly, I am introducing legislation to establish a National Commission on Fuels and Energy which will recommend programs and policies capable of meeting future power demands and reconciling such demands with the protection of our health and environment.

I am pleased to join with the distin-

guished chairman of the House Committee on Interstate and Foreign Commerce the gentleman from West Virginia (Mr. STAGGERS) and a bipartisan group of our colleagues in sponsoring this important legislation.

My bill calls for the creation of a 21-member commission composed of six Members of both the House and Senate and nine public representatives who have particular knowledge and expertise with respect to fuels, energy, and the environment. In addition, one official from each of the 11 Federal departments and agencies concerned with fuel, energy, and the environment would serve as advisers to the Commission.

The Commission would submit a report to the President within 1 year after public hearings and a thorough investigation of our energy demands and resources.

With impending shortages of fuel oil, natural gas, coal, and electric power, we cannot afford to wait for new crises before getting down to the hard job of rational resource allocation. Therefore, Mr. Speaker, I urge prompt consideration and early enactment of this legislation.

SELECT SUBCOMMITTEE ON EDUCATION, COMMITTEE ON EDUCATION AND LABOR—REQUEST FOR PERMISSION TO SIT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Select Subcommittee on Education of the Committee on Education and Labor be permitted to sit this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, this has not been cleared with me. I simply ask has it been cleared with the ranking Republican member, the gentleman from Ohio (Mr. AYRES)?

Mr. AYRES. If the gentleman will yield, we have no objection.

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. HALL. Mr. Speaker, I object.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT

Mr. POAGE. I ask unanimous consent to take from the Speaker's table the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. POAGE, ABERNETHY, PURCELL, SISK, MELCHER, TEAGUE of California, and Mrs. MAY.

BRINKS COURIER ROBERT DENISCO

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, the action taken yesterday by Brinks' courier Robert DeNisco, in thwarting the hijacking of a Trans World Airline flight to North Korea should be commended. This is an instance where a private citizen chose to become involved and his involvement in this case may have saved the life of one or more of the 62 people on board.

Mr. DeNisco's action aboard the jet bound from New York to San Francisco was taken at great personal risk. It is very unfortunate that in this case, violence was necessary to prevent violence.

Danger is by no means a stranger to Mr. DeNisco. While a sergeant with the military police in Vietnam, he was credited with breaking up a powerful smuggling ring in Saigon.

The Brinks Corp. of Chicago should also be commended for its selection of such courageous young men to carry out its often dangerous assignments. Mr. DeNisco is one of approximately 28 couriers that Brinks has in the air every night guarding its shipments. In this case, Mr. DeNisco was escorting a packet of negotiable securities to San Francisco.

Although I deplore violence in any form, I frankly feel that the action taken in this instance was justified and is especially noteworthy at this time. The recent flurry of airline hijackings has been both alarming and frustrating. It is time that we take strong action to stop this air piracy. I heartily applaud the President's recent action in this regard. His decision to intensify security at major airports and employ Federal marshals on certain flights was a very good one. I only hope these measures will make events like the harrowing one of yesterday unnecessary.

[Mr. PUCINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE DEMOCRATIC PARTY IS ALIENATING WORKINGMAN

(Mr. AYRES asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. AYRES. Mr. Speaker, the Democratic Party is alienating the working man by letting archliberals take over the leadership in Congress and in party affairs.

AFL–CIO President George Meany said in a recent interview that the Democratic Party has "disintegrated" and that its remnants are being taken over by extremists. Meany himself said the Democrats are alienating the 20 million union men and women in America by their encouragement of extremism.

The leadership of organized labor is just beginning to see what the rank and file have been expressing with their votes for some time. The working man and woman has recognized that the Republican Party speaks for the solid middle ground of Americans, those who want change through law, who abhor the anarchy, vioelnce, and extreme tactics that have become the hallmark of the new left embraced by so many Democratic Party figures.

The archliberal influence can be seen in the Democrats' recent apology for their 1968 Chicago Convention, in their failure to pass strong anticrime laws and new measures to curb drug abuse and in their day-to-day statements backing dissenters and lawless actions.

Labor is swinging away from its traditional taken-for-granted allegiance to the Democratic Party because of this sharp left turn by its leadership. The Democratic Party is rapidly alienating the workingman by letting archliberals take over the leadership in Congress and in party affairs.

GYMNASTIC TALENTS OF CERTAIN DEMOCRATS

(Mr. HUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNT. Mr. Speaker, it is become increasingly evident that certain Democrats in the Congress possess a talent that few of us knew about before, that of gymnastics. On the issue of extremism, these Democrats are performing the acrobatic feats of trying to bend over backward and get out from under. Those who condoned and even applauded violent dissent in the past now find themselves faced with an electorate at home, sick of violence and ready to place blame on those who unwittingly brought it about. The tolerance of the new left is now something the ultraliberals would like to forget about and divorce themselves from. I am not sure it will be that easy.

People remember those Members of Congress who greeted dissenters when they flocked to the Capitol and accorded them undue dignity and status. Those who served on such unofficial welcoming committees have some explaining to do. And how do you explain desecration of the flag, obscene insults flung at public officials, and the mindless flouting of all authority—worst of all, the real dangers on the campus and on the streets.

The ultraliberals are now engaged in their knee jerk athletics, hoping that the voter will be diverted and forget. It is a sorry exercise. Some of those, whose blandishments led to riot and upheaval, even have the brass now to preach law and order. They must be counting on some very short memories.

Mr. Speaker, we will have law and order in this country, but not because a lot of archliberals suddenly remember it. It is because the people, and the responsible men and women they elect, want it so.

ELIMINATING AIR PIRACY

(Mr. ADAIR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADAIR. Mr. Speaker, as one who has been concerned and, indeed, angered by the cruel, inhumane acts of air piracy

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of October 12, 1970
91st-2nd; No. 179.

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HIGHLIGHTS: Senate passed continuing resolution.
Senate Committee reported water carrier mixing bill.
Sen. Symington criticized method of sale of government corn stored in county bin sites.
Conferees filed report on farm bill.
House committee reported horse protection bill.
Rep. Poage inserted article highlighting importance of agricultural research.

SENATE

1. WATER CARRIERS. Committee on Commerce reported with amendments H.R. 8298, to eliminate certain restrictions relating to water carriers of bulk commodities (S. Rept. 91-1330). p. S17687

2. WILDERNESS. Committee on Interior and Insular Affairs reported with amendments, S. 1468 to designate the Stratified Primitive Area as a part of the Washakie Wilderness, Shoshone National Forest, Wyoming (S. Rept. 91-1332). p. S17687

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

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WASHINGTON, D.C. 20250
USDA STATES DEPARTMENT OF AGRICULTURE

3. CONTINUING APPROPRIATIONS. Passed without amendment, H.J. Res. 1388 making continuing appropriations until sine die adjournment of the 91st Congress. This bill now goes to the President. pp. S17776-79

4. ELECTRIFICATION. Received letter from the Administrator, REA, reporting the approval of a loan to Brazos Electric Power Cooperative, Waco, Texas; to the Committee on Appropriations. p. S17686

5. GOVERNMENT GRAIN SALES. Sen. Symington placed in the Record a letter critical of bid practice in the sale of Government corn stored in county bins. pp. S17704-05

HOUSE

6. FARM BILL. Conferees filed a report on H.R. 18546, the proposed Agricultural Act of 1970 (H. Rept. 91-1594). pp. H9963-75, ~~H10017~~

7. LIVESTOCK. Committee on Interstate and Foreign Commerce filed a report on S. 2543, amended, to prohibit the movement in interstate and foreign commerce of "sored" horses (H. Rept. 91-1597). p. H10017

8. RESEARCH. Rep. Poage inserted an article by Dr. C. L. Lundell regarding the value of agricultural research and its benefits to the American people. pp. H9987-8

9. INDEMNIFICATION. Rep. Michel urged immediate action by the Judiciary Committee on H.R. 18485, to indemnify food processors and their suppliers for losses sustained by the banning of the sale of products containing cyclamates. pp. H9989-90, H9992

10. NUTRITION. Rep. Ryan included a number of statements presented before a recent Community Conference in New York City, among which were two statements on "Food: Nutrition and Health". pp. H9983-4

BILLS INTRODUCED

11. LIVESTOCK. H.R. 19678, by Rep. Melcher, to amend the Packers and Stockyards Act, as amended, so as to provide for specifications for trimming carcasses in purchases of livestock on a carcass weight basis, and for other purposes; to the Committee on Agriculture.

12. FISH. H.R. 19679, by Rep. Melcher, to authorize the Secretary of Agriculture to provide for the inspection of facilities used in the harvesting and processing of fish and fishery products for commercial purposes, for the

91st Congress, 2d Session } HOUSE OF REPRESENTATIVES { Report No. 91-1594

AGRICULTURAL ACT OF 1970

October 9, 1970.—Ordered to be printed

Mr. Poage, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 18546]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

Sec. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm

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or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: Provided, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representive period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions, shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient

marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): Provided, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but

such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973 except with respect to orders providing for Class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, 1976.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, 1973.".

(b) The first sentence of section 1 of said Act is amended by inserting, "and manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products," after "milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.".

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "Provided further, That the" and substitute "The", designate the third sentence

as subsection "(b)", change the period at the end thereof to a colon and add the following: "Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: Provided, That in no event shall such level be in excess of the parity price for wheat or less than $1.25 per bushel.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an

acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary and will be estimated by the Secretary to result in a set-aside not in excess of 13.3 million acres in the case of the 1971 crop, or 15 million acres in the case of the 1972 or 1973 crop, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so

provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall advance to producers, as soon as practicable after July 1 of the year in which the crop is harvested, an amount qual to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined is less than the advance, the difference shall not be required to be repaid.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop (not less than 535 million bushels). The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable

apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. The farm domestic allotment for the 1971 crop of wheat shall be determined by multiplying the farm acreage allotment established for the 1971 crop by a national allocation percentage established in the same manner as for the 1970 crop, but which will result in the allotment of a total of not less than 19.7 million acres and will be based on a wheat marketing allocation of not less than 535 million bushels. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to

be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d(b) the following: "Notwithstanding the foregoing, the Secretary is authorized, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974.

(3) by adding at the end of section 379e the following: "Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331, 332, 335, 336, 338, and 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) sections 333 and 334 shall not be applicable to the 1972 and 1973 crops of wheat;

(3) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(4) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(5) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89–321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

Sec. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

Sec. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by the amount by which the actual total production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for such crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

Sec. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity the Agricultural Act of 1949 as amended is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

Sec. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: "Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

Sec. 410. Notwithstanding any other provision of law, for the 1971, 1972, and 1973 crops of wheat, feed grains and cotton, if in any year at least 55 per centum of the cropland acreage on an established summer fallow farm is devoted to a summer fallow use, no further acreage shall be required to be set aside under the wheat, feed grain and cotton programs for such year.

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than (A) $1.35 per bushel, or (B) 70 per centum of the parity price of corn as of the beginnning of the marketing year, whichever is the greater. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. Notwithstanding the foregoing, the rate of payment for the 1973 crop shall not be such as will result in a total amount of payments which the Secretary estimates will be made pursuant to this subsection with respect to the 1973 crop of feed grains above the total amount of payments made pursuant to this subsection with respect to the 1972 crop of feed grains by reason of the level specified in clause (B) being fixed above 68 per centum of the parity price for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base: Provided, That no farm feed grain base shall be reduced

or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. If for any crop, the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye, and barley, if not designated by the Secretary as provided above. Such section 328 shall be effective in 1971, 1972, 1973 to the same extent as it would be if a diversion program were in effect for feed grains during each of such years. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: Provided, That except for acreage provided

for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

"(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghums and, if designated by the Secretary, barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment. If the set-aside in effect under subsection (c) is less than 20 per centum of the feed grain base, the preliminary payment rate under this subsection shall be reduced proportionately.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton pro-

duction goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for which a farm base acreage allotment is established (other than pursuant to section 350(e)(1)(A)) for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: Provided, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: Provided, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"SEC. 350. (a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base

acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): Provided, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grains are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: Provided, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e)(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the

farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e)(1) The Secretary shall upon presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the average world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment of such a loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secretary annually pursuant to a published regulation which shall specify the procedures and the factors to be used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective. Notwithstanding the foregoing, if the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop exceeds 7.2 million bales, producers on any farm harvesting cotton of such crop from an acreage in excess of the base acreage allotment for such farm shall be entitled to loans and purchases only on an amount of the cotton of such crop produced on such farm determined by multiplying the yield used in computing payments for such farm by the base acreage allotment for such farm.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch upland cotton (micronaire 3.5 through 4.9) in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the national base acreage allotment for the 1971 crop to (ii) the national base

acreage allotment for the crop for which the rate is being determined: Provided, That the payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3). The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield established for the farm: Provided, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968 and 1969: Provided, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: Provided further, That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

"(4)(A) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 28 per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. If the Secretary determines prior to the planting season for such crop that the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop will exceed 7.2 million bales, the Secretary is authorized for such crop to limit the acreage planted to upland cotton on the farm in excess of the farm base acreage allotment to such percentage of

the farm base acreage allotment as he determines necessary to reduce the total supply to a reasonable level. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (e)(4)(A). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "And provided, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside program,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89–321 (79 Stat. 1210) is amended by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be

considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

SEC. 610. The Commodity Credit Corporation, in furtherance of its powers and duties under subsections (e) and (f) of section 5 of the Commodity Credit Corporation Charter Act, shall, through the Cotton Board established under the Cotton Research and Promotion Act, and upon approval of the Secretary, enter into agreements with the contracting organization specified pursuant to section 7(g) of that Act for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs and programs to aid in the development of new and additional markets, marketing facilities and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings. Each year the amount available for such agreements shall be that portion of the funds (not exceeding $10,000,000) authorized to be made available to cooperators under the cotton program for such year but which is not paid to producers because of a statutory limitation on the amounts of such funds payable to any producer. The Secretary is authorized to deduct from funds available for payments to producers under section 103 of the Agricultural Act of 1949, as amended, on each of the 1972 and 1973 crops of upland cotton such additional sums for use as specified above (not exceeding $10,000,000 for each such crop) as he determines desirable: and the final rate of payment provided in section 103 if higher than the rate of the preliminary payment provided in such section shall be reduced to the extent necessary to defray such costs. No funds made available under this section shall be used for the purpose of influencing legislative action or general farm policy with respect to cotton.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83–480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

SEC. 702. Section 104 of such Act is amended by inserting before the comma at the end of paragraph (1) of the first proviso following subsection (k) the following: ", and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "Provided, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage.".

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) *By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."*

(8) *By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community."*

(9) *By adding a new paragraph (6) to read as follows:*

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies and other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) *By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreements with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."*

(11) By striking out "June 30, 1963" in paragraph (7) and substituting "June 30, 1972".

(12) By inserting "farming opportunities and" preceding the words "interests of tenants and sharecroppers in paragraph (3)".

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 and subsequent crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

SEC. 805. (a) Notwithstanding any other provision of law, the Secretary shall permit any producer who is participating in the wheat program under title IV of this Act, in the feed grain program under title V of this Act, or in the cotton program under title VI of this Act, in any year in which an acreage diversion or set-aside program is in effect, under any such program in which such producer is participating, subject to the conditions prescribed in subsection (b) of this section, to plant and harvest hay from 25 per centum of the acreage on the farm diverted from production under such programs or twenty-five acres, whichever is greater.

(b) Any producer who elects to plant and harvest hay on diverted or set aside acreage pursuant to this section shall first agree not to use any such hay harvested from such acreage unless authorized to do so by the Secretary.

(c) When any diverted or set aside acreage has been planted and harvested under authority of this section, the hay harvested therefrom shall be baled and stored in sealed storage on the farm in accordance with such

regulations as the Secretary may prescribe and shall be available only for use during periods of emergency declared by the Secretary. In order to avoid deterioration of such hay stored on the farm for emergency purposes pursuant to this section, the Secretary may permit such hay to be removed and used or sold from time to time so long as an amount of hay equal to the amount removed is previously placed in storage and sealed.

(d) Any farmer who has hay stored on his farm for emergency purposes pursuant to this section may remove such hay from storage and use it whenever the Secretary has (1) designated as an emergency area the area in which such farm is located, and (2) specifically authorized the use of emergency hay by farmers in the area.

(e) The Secretary of Agriculture is authorized to make or guarantee loans to farmers, both tenants and landowners, to assist such farmers in the construction of storage facilities on the farm for the storage of emergency hay pursuant to the provisions of this section if such farmers are unable to obtain loans from commercial sources at reasonable rates and on reasonable terms and conditions. Loans made by the Secretary under this subsection shall be made at the current rate of interest for periods not exceeding ten years, and on such other terms and conditions as the Secretary may prescribe.

Sec. 806. (a) Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), is amended by adding at the end thereof a new subsection as follows:

"(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year."

(b) Subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921–1929), is amended by adding at the end thereof a new section as follows:

"Sec. 310. Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subtitle shall remain available until expended."

TITLE IX—RURAL DEVELOPMENT

COMMITMENT OF CONGRESS

Sec. 901(a) The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

LOCATION OF FEDERAL FACILITIES

(b) Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain, insofar as practicable, departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations.

PLANNING ASSISTANCE

(c) The Secretary of the Department of Housing and Urban Development and the Secretary of Agriculture shall submit to the Congress a joint progress report as to their efforts during the immediately preceding fiscal year to provide assistance to States planning for the development of rural multicounty areas not included in economically depressed areas under authority of the Housing and Urban Development Act of 1968. The first such annual report shall be submitted not later than December 1, 1970, and shall cover the period beginning August 1, 1968, the date of enactment of the Housing and Urban Development Act of 1968, and ending June 30, 1970.

INFORMATION AND TECHNICAL ASSISTANCE

(d) The Secretary of Agriculture shall submit to the Congress a report not later than September 1 of each fiscal year reflecting the efforts of the Department of Agriculture to provide information and technical assistance to small communities and less populated areas in regard to rural development during the immediately preceding fiscal year. The first such annual report shall be submitted not later than December 1, 1970, covering the period beginning July 1, 1969, and ending June 30, 1970. The Secretary shall include in such reports to what extent technical assistance has been provided through land-grant colleges and universities, through the Extension Service, and other programs of the Department of Agriculture.

GOVERNMENT SERVICES

(e) The President shall submit to the Congress a report not later than September 1 of each fiscal year stating the availability of telephone, electrical, water, sewer, medical, educational, and other government or government assisted services to rural areas and outlining efforts of the executive branch to improve these services during the immediately preceding fiscal year. The President is requested to submit the first such annual report, covering the fiscal year ending June 30, 1970, on or before December 1, 1970.

FINANCIAL ASSISTANCE

(f) The President shall report to Congress on the possible utilization of the Farm Credit Administration and agencies in the Department of Agriculture to fulfill rural financial assistance requirements not filled by other agencies. The President is requested to submit the report requested by this section on or before July 1, 1971, together with such recommendations for legislation as he deems appropriate.

And the Senate agree to the same.

W. R. Poage,
Thomas G. Abernethy,
Graham Purcell,
B. F. Sisk,
Page Belcher,
Catherine May,
William C. Wampler,
Managers on the Part of the House.

Spessard L. Holland,
James O. Eastland
George D. Aiken,
Jack Miller,
Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 18546, to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate struck out all after the enacting clause of H.R. 18546 and substituted a Senate amendment which, while dealing with the same subject matter, differed from it in a number of major respects. The amendment herewith reported embodies the agreement of the conferees on the various points of difference in the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment.

The conference substitute follows the structure of the House bill as to the order and arrangement of titles.

Following is a discussion of the substitute amendment as agreed to by the conferees:

TITLE I—PAYMENT LIMITATION

Section 101 of the conference substitute is identical to the House bill. The conferees, however, intend that the application of the payment limitation exemption for "lands owned by States, political subdivisions, or agencies thereof" to apply only to these governmental entities and not to other persons who may lease or rent State or local government-owned lands. In other words, it is the intent of the conferees that the payment limitation in this bill should apply to all persons who rent or lease land owned by States, political subdivisions, or agencies thereof.

It is also the conferees intent that in applying the payment limitation to the wheat program any savings that result will accrue to the Government and will not be redistributed to other wheat growers in the form of domestic marketing certificates. In other words, the provision requiring the allotment to be such as will result in certificates being issued for the full amount of the wheat used for domestic food consumption does not mean that the allotment would be increased to the extent necessary to provide for issuance to other producers of the certificates which may be denied some producers as a result of the payment limitation in title I of the bill.

TITLE II—DAIRY

This title of the conference substitute contains four sections dealing with different aspects of the dairy program.

Section 201 deals with the amendments to the statutory authority for Federal milk marketing orders and is substantially the same as the provision included in the House bill. The differences are as follows:

1. There is a language clarification which was included in the Senate amendment relative to adjustments under clause (d) of section

8c(5)(B) of the Agricultural Marketing Agreement Act of 1937, as amended. Clause (d) is designed to specifically retain and separately state existing authority for seasonal base-excess plans.

2. Under clause (f) which extends the authority for the Class I Base plan, the conference substitute corrects a clerical error in clause (ii) and clarifies the intent of the House language in clause (v) that dairy farmers outside a Class I Base plan market shall within 90 days be entitled to competitive access and be treated the same as dairy farmers already within the scope of the order. Clause (v) also contains a clarification concerning the production facilities currently being used to determine the Class I Base allocation of such producers.

3. The conference substitute also retains the House language relative to producer-handlers. It is the clear and specific intent of the conferees that the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders that was maintained prior to the enactment of H.R. 18546, the "Agricultural Act of 1970."

4. Section 201(e) of the House bill which provided that the provisions of this section shall expire on December 31, 1973, is retained but it is amended to provide that during the three-year life of this section orders providing for Class I Base plans issued prior to December 31, 1973, may extend until December 31, 1976. In other words any area which qualifies to use the Class I Base plan authority must do so by December 31, 1973, and if the order is issued prior to that date, it could extend into the future as far as December 31, 1976.

Nothing in this amendment is intended to alter the authority in the law for either producers or the Secretary to terminate or amend any Class I plan prior to its termination as otherwise provided.

Sections 202 and 203 of the conference substitute deal with the suspension of butterfat price supports and the military and veterans hospital dairy program and are unchanged from the House bill.

Section 204 of the conference substitute deals with dairy indemnity payments and contains the Senate provision making dairy processors also eligible for relief under the Act of August 13, 1968. The conferees, however, have included language in this provision intended to make its application in respect to dairy processors prospective and applicable only to claims originating subsequent to the enactment of H.R. 18546. Producer indemnity payments have been authorized for six years, and it is the conferees intent that any producer claims arising during the period beginning with the expiration of the Act of August 13, 1968, and the date of enactment of this bill will also be entertained and adjudicated by the Secretary.

In addition, the conferees wish to make it clear that the absence of a specific reference in H.R. 18546 to the Secretary's authority to issue manufacturing milk marketing orders under the 1937 Act is not intended to be construed as their belief that such authority does not exist. On the contrary, the conferees feel that such authority exists and it is unnecessary to include it in this bill.

TITLE III—WOOL

Section 301 of the conference substitute which amends and extends the National Wool Act for three years is identical to the House bill.

TITLE IV—WHEAT

The conference substitute incorporates most of the language of title IV of the House bill. The following major Senate amendments as modified by the Conferees are included:

1. A floor on the loan of $1.25 during each of the next three years.

2. A limit on the number of acres that the Secretary may set aside without making diversion payments to wheat farmers to 13.3 million acres in 1971 and 15 million acres during each of the following two years.

3. A special provision for summer fallow farms providing that no further set-aside need be made after 55 percent of cropland on the farm has been devoted to summer fallow practices.

4. Standby authority for the Secretary to impose acreage restrictions on the 1973 crop of wheat. The House bill provided such authority for the first two years, 1971 and 1972.

The main Senate amendments not included in the conference substitute are:

1. Extension of the wheat provisions of the Food and Agriculture Act of 1965 to the 1971 wheat crop.

2. The conduct of a referendum under which wheat farmers would choose for 1972 and 1973 between a continuation of the wheat program under the 1965 Act or the set-aside program provided in the House bill.

3. A small farm wheat certificate bonus of 30 percent for producers on farms of not more than 160 acres who annually had off-farm earned income of not more than $2,000 and sales of farm products of not more than $5,000.

4. Mandatory advance payments within 60 days of sign up.

5. Authority for the Secretary to extend the 1973 wheat program to the 1974 crop if Congress had not acted on new wheat legislation in the fall of 1973.

Sections 402 and 501 of the Senate amendment provided for mandatory loans on farm-stored wheat and feed grains and required, to the maximum extent practicable, the renewal of loans on these grains. The conference substitute deletes these provisions because there is ample authority in existing law for the issuance of price support loans on grains stored on the farm where produced and for renewal of loans. The conferees note that farm storage and reseal of grain has been a Department practice for a number of years, and the Department has assured the conferees that it intends to continue this policy.

The Senate amendment also contained a provision which would have required persons processing flour second clears, gluten, or other products or by-products of wheat for which domestic marketing certificates have not been obtained to do so if these materials were in the commercial production of food products.

The conference substitute deletes this provision.

The conferees were advised by the Department of Agriculture that the Senate amendment would be difficult to administer and would create international difficulties while failing to go to the heart of the problem.

The following letter from the Department of the Treasury to Senator Miller explains the Bureau of Customs action in regard to this matter:

DEPARTMENT OF THE TREASURY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., November 25, 1969.

DEAR SENATOR MILLER: Secretary of the Treasury Kennedy has asked that I reply to your inquiry of November 7, 1969, in which you expressed your interest and views on the Bureau of Customs' proposed reclassification of imported second clear wheat flour.

Second clear wheat flour has been imported for many years ex quota and, until 1967, it was classified for tariff purposes under the provision for animal feeds and ingredients therefor because it was chiefly used for that purpose. However, after conducting a study of the uses being made of this product, the Bureau concluded in 1967 that it was no longer chiefly used for animal feed purposes. Accordingly, the Bureau adopted measures involving a change in the tariff treatment of this product. In connection with these measures, several notices of intent to change the classification of imported second clear wheat flour were published in the Federal Register, the latest being February 28, 1969 (34 F.R. 3635).

In the above-mentioned notice, the Bureau stated its tentative conclusion that second clear wheat flour is classifiable under the provision for other non-enumerated products in item 799.00, Tariff Schedules of the United States, with duty at the rate of 8 percent ad valorem. Interested parties were requested to submit written views on this tentative conclusion. The Bureau received numerous representations and statements in response to the notice, and these are currently under review. You may be assured that your views, as well as those of all interested parties, will be carefully considered in arriving at a final conclusion.

The notice referred to above stated a tentative conclusion and is subject to review before a final order may be issued. Several alternative classifications for this product are also being considered. When this matter has been reviewed and a final conclusion reached, you will be informed of such action as is taken at that time.

If we can provide any additional information or be of further assistance, please feel free to call on us.

Sincerely yours,

EUGENE T. ROSSIDES.

It is the opinion of the conferees that any imported product which is used primarily in food processing should be classified for tariff purposes as a food product in the appropriate category.

The conferees therefore recommend that the Bureau of the Customs take appropriate action to classify imported second clear flour in its proper classification consistent with current usage.

TITLE V—FEED GRAINS

The conference substitute contains most of the language of title V of the House bill.

The following provisions included in the Senate amendment are, however, included in the conference substitute:

1. A floor of $1.00 per bushel on corn for each of the next three years. The House bill contained no such provision.

2. A floor expressed in terms of parity on the target price guarantee for corn. Under the House bill this floor was set at $1.35 per bushel. The conference substitute retains the House provision, but adds a 70 percent of parity guarantee as well.

The conference substitute also contains specific language which is designed to apply in the event 70 percent of parity exceeds $1.35 in 1973. This provision represents a compromise between those Members of the Conference favoring 68 percent of parity and those Members favoring 70 percent or more. If, for the 1973 crop of corn, use of the 70 percent of parity figure would result in an increase in total payments under the feed grain program over the total payments made in 1972 by reason of the level being fixed above 68 percent of parity, such increase will not be effective. It is recognized that factors other than the parity differential could result in an increase in total payments for 1973 over the total for 1972. If 70 percent of the parity price for any marketing year exceeds $1.35, the Secretary shall make every effort to maintain the market price for corn at such level as will not require a payment in excess of 32 cents per bushel.

3. Standby authority for the Secretary to impose acreage restrictions on the 1973 crop of feed grains. The House bill provided for such authority for the first two years, 1971 and 1972.

4. A requirement for the Secretary to proportionately reduce the level of feed grain preliminary payments if the feed grain set-aside is less than 20 percent. There was no comparable provision in the House bill.

5. A provision which preserves history on feed grain bases not planted by a farmer who forgoes payments to which he would otherwise be entitled. There was no comparable provision in the feed grain section of the House bill, but a similar measure was included in the wheat title of the House bill.

The main Senate amendments not included in the conference substitute are:

1. The mandatory inclusion of barley as a feed grain under the program.

2. A small farm feed grain bonus of 30 percent for producers on farms of not more than 160 acres who annually had off-farm earned income of not more than $2,000 and sales of farm products of not more than $5,000.

3. Mandatory advance payments within 60 days of sign-up.

4. An exemption under the feed grain program for malting barley.

TITLE VI—COTTON

Title VI of the conference substitute contains most of the language of the House bill, but the conferees made the following main changes:

1. A provision requiring that payments, when added to the national average market price during the first five months of the marketing year, shall equal 35 cents or 65 percent of parity, whichever is greater. The House bill did not contain a parity guarantee, and the Senate amendment calculated these payments as the difference between the loan and the higher of 35 cents or 65 percent of parity.

2. A small cotton farm payment bonus of 30 percent to producers having allotments of 10 acres or less or producing 5,000 pounds or less. The House bill did not contain a small farm bonus provision.

3. Establishment of the loan level at 90 percent of the average world price for the preceding two years. The House bill required a loan equal to 90 percent of the world price as estimated by the Secretary of Agriculture.

4. Anniversary-type loan program. The House bill contained no comparable provision.

5. A limitation on eligibility for loans on cotton produced beyond the base acreage in 1972 or 1973 if the carryover at the start of either year exceeds 7.2 million bales. The House bill contained no comparable provision.

6. Discretion for the Secretary to restrict cotton production in excess of the base acreage allotment if the carryover at the start of either 1972 or 1973 exceeds 7.2 million bales. The House bill contained no comparable provision.

7. A cotton set-aside equal to not more than 28 percent of the base acreage. The House bill established a set-aside of not more than 33⅓ percent.

8. A new cotton research program. The House bill contained no comparable provision.

It is the intent of the Conferees that under section 610 of the conference substitute the Commodity Credit Corporation shall divert to the Cotton Board not more than $10,000,000 annually in 1971, 1972, and 1973 from those sums which would otherwise be paid to cotton producers, but for the operation of payment limitations, in order to develop and expand both domestic and foreign markets for upland cotton. The only discretion intended for the Secretary in this regard is over the approval or disapproval of various research and promotion projects, as is the case under the Cotton Research and Promotion Act. It is the conferees intent that the Secretary be given discretion to use an additional $10,000,000 annually during 1972 and 1973 for the same purposes.

TITLE VII—PUBLIC LAW 480

Section 701 of the conference substitute extends titles I and II of Public Law 480 for an additional three years and is identical to the House bill.

Section 702 of the conference substitute is an amended version of section 703 of the Senate amendment dealing with the educational and cultural exchange program conducted pursuant to the Act.

The conference substitute deletes the Senate provision which would have increased the level of funds required to be available for this program from 2 percent to 5 percent of new foreign currency agreements. It rewrites section 703(b) of the Senate amendment so as to allow appropriation acts to specifically authorize the use of foreign currencies without requiring the appropriation of dollars for the purchase of those same foreign currencies.

Section 702 of the Senate amendment dealt with Public Law 480 market promotion activities concerning alcoholic beverages and is not included in the conference substitute.

TITLE VIII—GENERAL AND MISCELLANEOUS

Long-term land retirement

Section 801 of the conference substitute deals with long-term land retirement. The conference substitute makes the following changes in the House bill:

1. A provision which restricts acreage in the program to such an amount as will not adversely affect a county or local community.
2. A provision allowing cost sharing with other Federal agencies.
3. Authority to use CCC funds to finance the program until June 30, 1972.

The main Senate provision not included in the conference substitute was the amendment calling for the annual retirement of up to six million acres during each of the next three years. The authorized level of expenditures as provided in the House bill ($20 million plus carryover) is unchanged in the conference substitute.

Marketing quota exemption for boiled peanuts

Section 802 of the conference substitute provides for a permanent extension of the boiled peanut marketing quota exemption as was provided in the Senate amendment. The House bill provided for a three-year extension of this provision.

Voluntary relinquishment of allotments

Section 803 of the conference substitute deals with the voluntary relinquishment of allotments or bases and is identical to the House bill.

Indemnification of beekeepers

Section 804 of the conference substitute establishes a beekeeper indemnity program and is identical to the House bill.

Baled hay storage

Section 805 of the conference substitute incorporates a baled hay storage provision into the wheat, feed grain, and cotton set-aside program.

It permits producers to plant, harvest, and bale hay grown on wheat, feed grain, and cotton set-aside acres and store for future emergency periods declared by the Secretary. The Secretary could also make loans for baled hay storage facilities. There was no comparable provision in the House bill.

FHA loans

Section 806 of the conference substitute amends the Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants) and for direct real estate loans to farmers and ranchers shall remain available until expended. Also provides that unused authorizations for appropriations shall carry over from year to year. There was no comparable provision in the House bill.

CONDITION BEYOND THE CONTROL OF THE PRODUCER

The phrase "Condition beyond the control of the producer" which appears in the history preservation provisions of the wheat, feed grain, and cotton sections of the bill was carefully considered by the conferees.

It is the intent of the conferees that this phrase include such contingencies as a quarantine imposed by a local, State, or Federal Government agency and any payment limitation which is included in this or subsequent legislation.

As originally pointed out in the House report on H.R. 18546, one of the main objectives of this legislation is to give farmers greater latitude in making choices as to how to operate their farms. Therefore the conferees do not intend to reduce the acreage history of any farmer because he does not plant and harvest that part of his farm allotment of wheat, feed grains or cotton on which he is denied payments by reason of a payment limitation.

TITLE IX—RURAL DEVELOPMENT

Section 901 commits Congress to a sound rural-urban balance and provides for various reports on planning assistance, technical assistance, government services and utilities, and financial assistance. This title also requires a Federal policy that new offices and facilities be located, insofar as practicable, in communities of lower population density. There was no comparable provision in the House bill.

A BRIEF SUMMARY

There follows a brief summary of the principal provisions of the conference substitute:

TITLE I—PAYMENT LIMITATION

1. Establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, and feed grains.
2. The limitation imposed considers all payments made for price support, set-aside, diversion, and public access, as well as marketing certificates.
3. The Secretary is authorized to adjust set-aside acreage and is directed to issue regulations necessary to insure fair and reasonable application of this title.

TITLE II—DAIRY

1. Amends and extends the authority for the Dairymen's Class I Base Plan in Federal milk market order areas and provides that any area covered by the program during the next three years could continue to have it in effect up to December 31, 1976.
2. Suspends the operation of the mandatory butterfat price support program for farm-separated cream and permits the Secretary to set lower support prices on butter.
3. Extends the Secretary's authority to donate dairy products owned by CCC to the Armed Services and Veterans Hospitals.
4. Provides authority to make indemnity payments to dairy farmers and dairy processors who, through no fault of their own, have their milk or dairy products contaminated by and condemned because of the presence of pesticides and residues.

TITLE III—WOOL

1. Extends the National Wool Act of 1954, as amended, through December 31, 1973.

2. Continues the present incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

TITLE IV—WHEAT

1. Suspends marketing quotas and acreage allotments for 1971, 1972, and 1973.

2. Provides domestic marketing certificates for farmers participating in the set-aside program in an amount equal to U.S. food consumption (not less than 535 million bushels annually).

3. Sets the face value of these domestic certificates at the difference between the wheat parity price (currently $2.85 per bushel) and the average price received by farmers during the first five months of the wheat marketing year (which starts on July 1).

4. Provides for a "preliminary" payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment (if any) would be paid after December 1. If the Secretary's estimate were too high, no refunds by farmers would be required.

5. Continues the cost of certificates to wheat processors at 75 cents per bushel.

6. Authorizes the Secretary to set non-recourse loans to participating farmers from $1.25 per bushel to 100 percent of the parity price for wheat.

7. Establishes a set-aside program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary. The 1971 set-aside would be 13.3 million acres. The 1972 and 1973 set-aside could not exceed 15 million acres.

8. Authorizes additional set-aside and public recreational access payments.

TITLE V—FEED GRAINS

1. Establishes a voluntary feed grain (i.e. corn, grain sorghum, and barley) program for 1971, 1972, and 1973.

2. Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between the higher of (a) $1.35 per bushel or (b) 70 percent of the parity price (for corn) and the average market price for the first five months of the marketing year (which starts on October 1 on corn and grain sorhgum and July 1 on barley). In no event, however, would these payments be less than 32 cents per bushel for corn (with corresponding rates on grain sorghum and barley).

3. Authorizes the Secretary to set the non-recourse loan level for corn from $1.00 per bushel to 90 percent of parity.

4. Authorizes additional set-aside and public recreational access payments.

5. Establishes a set-aside program under which participating farmers would be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

6. Provides for a preliminary payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and $1.35 were more than 32 cents during the first five months of the marketing year, an additional payment would be made. In no event would refunds by farmers be required.

TITLE VI—COTTON

1. Provides payments on the estimated production from 11.5 million acres for the 1971 crop. In 1972 and 1973 the base acreage allotment would be set by the Secretary, and total payments would be adjusted accordingly.

2. Provides participating cotton farmers with loans and payments. The loan would be 90 percent of the average world price for two previous years. The payment would be the difference between the higher of 65 percent of parity or 35 cents and the average market price for the first five months following the beginning of the marketing year (which begins August 1), but in no event less than 15 cents per pound. No refunds by farmers would be required. Small farms would be eligible for 30 percent bonus payments.

3. Authorizes payments to participating farmers on acreage made available to the public for recreational purposes or on additional voluntary set-aside acreage.

4. Provides for a set-aside of cropland (not to exceed 28 percent of the cotton allotment) as a condition of eligibility for benefits under the program.

5. Establishes a voluntary program under which marketing quotas, and penalties would be suspended for three years.

6. Requires participating farmers to plant cotton to receive payments, with two exceptions: (a) if unable to do so because of natural disaster or other condition beyond producers' control; (b) if not less than 90 percent of allotment is planted.

7. Provides for cotton research and promotion program.

8. Allows the sale of cotton allotments within a State, permits the lease of allotments within a State, and provides for the release and reapportionment of allotments during the 3-year life of this legislation.

9. Authorizes anniversary-type loan program under which the Secretary shall, after being presented with warehouse receipts reflecting accrued storage charges of not more than 60 days, make nonrecourse loans for a term of 10 months from the first day of the month the loan is made.

TITLE VII—PUBLIC LAW 480

1. Extends the provisions of P.L. 480 (the "Food for Peace" program) which authorizes donations and long-term dollar credit and foreign currency sales of U.S. farm commodities to underdeveloped nations.

TITLE VIII—GENERAL AND MISCELLANEOUS

1. Continues the "Cropland Conversion" and "Greenspan" (long-term land retirement programs) at an authorized appropriation level of $10 million annually for each program.

2. Extends permanently the exemption from marketing quotas for boiled peanuts.

3. Permits farmers or other land owners who do not desire to hold an allotment on any crop under a government program to voluntarily relinquish it. (This would be a permanent provision.)

4. Establishes an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

5. Permits producers to plant, harvest, and bale hay grown on wheat, feed grain, and cotton set-aside or diverted acres and store such hay for future emergency periods declared by the Secretary. The Secretary could also make loans for baled hay storage facilities.

6. Amends the Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants) and for direct real estate loans to farmers and ranchers shall remain available until expended. Also provides that unused authorizations for appropriations shall carry over from year to year.

TITLE IX—RURAL DEVELOPMENT

1. Commits Congress to a sound rural-urban balance and provides for various reports on planning assistance, technical assistance, government services and utilities, and financial assistance. Also requires a Federal policy that new offices and facilities be located, insofar as practicable, in communities of lower population density.

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Managers on the Part of the House

○

construction by $8.8 million, and it was added to the Defense Procurement Authorization Act. The House receded.

Further, the Administration requested that the average per-unit cost limitation for units constructed in the United States be increased from $21,000 to $24,000. The House approved the $24,000 figure. The Senate approved a new average cost limitation of $22,500. The conferees agreed on a new average cost limitation of $23,000.

The Senate added, at the request of the Defense Department, authority to build units previously authorized, but not under contract, at Fort Leavenworth, Kansas, at an average cost of $26,000 as an exception to the average unit cost and the provisions of section 503. The House agreed to retain this provision.

The House had originally approved 20 units of family housing for the Army at New Cumberland Army Depot, Pennsylvania. Subsequent to the House approval of the bill, but prior to the approval of the Senate, the Army requested that the 20 units be deleted from New Cumberland Army Depot and in lieu thereof 20 units be included for Fort Carson, Colorado. The Senate approved the Army's request. The House recedes and concurs in the provision of 20 additional units at Fort Carson, Colorado.

TITLE VI—GENERAL PROVISIONS

Section 604

Section 604 of the House version provided, among other things, that the Secretaries of the military departments would report semiannually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts *awarded* on other than a competitive basis to the lowest responsible bidder. The Senate version, instead of using the phrase contracts *awarded*, used the phrase "contracts *completed*." The House conferees felt that by use of the word "completed" this section was not restrictive enough and insisted that the word awarded be used instead of the word "completed". Further, in order to further restrict the language of 604, the conferees agreed to add language excepting architect/engineer contracts from being awarded on a competitive basis unless specifically authorized by the Congress and stating that such contracts should continue to be awarded in accordance with presently established procedures, customs, and practices.

The Senate recedes.

Section 605(3)

The Senate added an exception to the repealing clause excluding therefrom the 260 family housing units authorized for Fort Polk, Louisiana.

The House recedes.

Section 606

The Senate deleted cost limitations on cold storage and regular warehousing. The House included such limitations. These limits were initiated during the Korean conflict when considerable warehousing was being constructed. In the past few years this portion of the program has only averaged approximately $5 million.

In view of the reduction in this type of construction, the House recedes.

Section 607

The House version of this section approved the Department of Defense request to increase the present dollar ceilings and approval limitations on minor construction as follows:

(a) The maximum limit on minor construction would be increased from $200,000 to $300,000;

(b) The approval level of the Secretary of a Military Department would be increased from $50,000 to $100,000. Above this limit requires the approval by the Secretary of Defense or his designee;

(c) The level that can be accomplished under operation and maintenance would be raised from $25,000 to $50,000; and

(d) A determination of urgency would not be required for projects of $50,000 or less in lieu of the present $25,000 level.

The Senate version would:

Decrease the proposed levels of (a) to $250,000 maximum.

Reduce the Service approval level (b) from $100,000 to $75,000, and

Reduce the (c) operation and maintenance, and (d) certification level from $50,000 to $37,500.

The Senate recedes.

Section 610

The Senate deleted the general provision related to the $2.3 million for construction of a school in Title III for the Bolling-Anacostia area.

The House recedes with the explanation heretofore provided under Title II.

Section 610

A new Section 610 was added by the Senate and replaces Section 610 of the House version, explained above, to provide assistance to local communities near Grand Forks Air Force Base, North Dakota, and Malmstrom Air Force Base, Great Falls, Montana, which will have to provide increased services and facilities arising from the construction and operation of the proposed ABM sites.

House conferees agreed that financial assistance to these small communities would be needed but that some limitation should be placed in the bill to provide Congressional review of the assistance to be given out of the Safeguard ABM appropriations. Therefore, House conferees proposed an amendment providing that "funds appropriated to the Department of Defense for any fiscal year beginning after June 30, 1971 for carrying out the Safeguard Anti-Ballistic Missile System may, to the extent specifically authorized in an annual military construction authorization act, be utilized by the Secretary of Defense in carrying out the provisions of this section to the extent that funds are unavailable under other Federal programs".

The Senate recedes.

Section 611

This section was added to the House bill by the Senate to require a study and ultimate determination of the Culebra problem. This particular section was one of the most controversial matters contained in the bill and a very thorough and lengthy discussion regarding same was held by the conferees. The Senate had provided for a comprehensive study and a report by the Secretary of Defense to the President of the United States and Chairmen of the Committees on Armed Services of the Senate and House of Representatives no later than April 1, 1971. It was provided that pending the completion of the report required and its review that the Navy was directed to avoid any increase or expansion of the present range activities in or around the Culebra complex. One other section of the Senate amendment was a direction to the Navy to terminate all range activities on or near the eastern coast cays within 3 nautical miles of the eastern coast not later than January 1972, unless the President of the United States made a determination that the national security required continuation of such activities beyond that date.

House conferees insisted and were adamant in their position that the direction to terminate all activities by a certain date must be stricken. The House conferees agreed to the study required in the Senate amendment with the following proviso:

"In addition, such study shall consider the feasibility of resettling the people of Culebra to another location in the Commonwealth of Puerto Rico, the cost of such a move, and the attitude of the people of Culebra to a generous resettlement plan that would have to be approved by a majority of the qualified electors of Culebra in a plebiscite."

The discussion on this matter resulted in the deletion of the section directing termination of activities (section c) and the addition of the suggested language by the House conferees.

The Senate recedes.

Section 612

Section 612 was added by the Senate at the request of the Defense Department after House consideration. It amends the authority under the Homeowner's Assistance program to permit considering (1) the cumulative effect of several base closures in an area and (2) reductions in scope of operations at an installation, as well as an outright closure.

The House recedes and agrees to the inclusion of this provision.

Section 613

Section 613 was added by the Senate after House consideration at the request of the Defense Department. This section would permith the Secretary of a Military Department to relinquish to a State the jurisdiction of the United States over lands or interests under his control in that State.

This would simply permit local authorities to perform certain functions such as fire protection and law enforcement at or near military installations where they now have no authority. Heretofore, this question had been handled on an installation by installation basis and required legislation in each instance.

The House recedes and agrees to inclusion of this section.

Section 614

Section 614 was added by the Senate to permit the exchange of approximately 191 acres of land in the vicinity of Fort Eustis, Virginia. After much discussion and with the knowledge that the Government will gain considerably by this exchange, the House recedes and agrees to the inclusion of this provision.

L. MENDEL RIVERS,
G. ELLIOTT HAGAN,
CHARLES H. WILSON,
BILL NICHOLS,
W. C. DANIEL,
WILLIAM G. BRAY,
DONALD D. CLANCY,
CARLETON J. KING,
ED FOREMAN,
Managers on the Part of the House.

AGRICULTURAL ACT OF 1970

Mr. POAGE submitted the following conference report and statement on the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 91-1594)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be

inserted by the Senate amendment insert the following:

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided,* That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions, shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): *Provided,* That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973 except with respect to orders providing for Class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, 1976.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, 1973.".

(b) The first sentence of section 1 of said Act is amended by inserting, "and manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products," after "milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.".

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with *"Provided further,* That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: *"Provided,* That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support

price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Nothwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: *Provided*, That in no event shall such level be in excess of the parity price for wheat or less than $1.25 per bushel.

"(b) If a set-side program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379(b). (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop in which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary and will be estimated by the Secretary to result in a set-aside not in excess of 13.3 million acres in the case of the 1971 crop, or 15 million acres in the case of the 1972 or 1973 crop, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall advance to producers, as soon as practicable after July 1 of the year in which the crop is harvested, an amount equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined in less than the advance, the difference shall not be required to be repaid.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop (not less than 535 million bushels). The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat al-

lotment among farms in the county which had a domestic wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. The farm domestic allotment for the 1971 crop of wheat shall be determined by multiplying the farm acreage allotment established for the 1971 crop by a national allocation percentage established in the same manner as for the 1970 crop, but which will result in the allotment of a total of not less than 19.7 million acres and will be based on a wheat marketing allocation of not less than 535 million bushels. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 percentum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d (b) the following: "Notwithstanding the foregoing, the Secretary is authorized, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974.

(3) by adding at the end of section 379e the following: "Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331, 332, 335, 336, 338, and 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) sections 333 and 334 shall not be applicable to the 1972 and 1973 crops of wheat;

(3) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

(4) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

(5) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat."

SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by the amount by which the actual total production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for such crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity the Agricultural Act of 1949 as amended is further amended by adding in section 408 a new subsection (k) as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: *"Provided,* That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

SEC. 410. Notwithstanding any other provision of law, for the 1971, 1972, and 1973 crops of wheat, feed grains and cotton, if in any year at least 55 per centum of the cropland acreage on an established summer fallow farm is devoted to a summer fallow use, no further acreage shall be required to be set aside under the wheat, feed grain and cotton programs for such year.

TITLE V—FEED GRAINS

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secertary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such

level as the Secertary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than (A) $1.35 per bushel, or (B) 70 per centum of the parity price of corn as of the beginning of the marketing year, whichever is the greater. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. Notwithstanding the foregoing, the rate of payment for the 1973 crop shall not be such as will result in a total amount of payments which the Secretary estimates will be made pursuant to this subsection with respect to the 1973 crop of feed grains above the total amount of payments made pursuant to this subsection with respect to the 1972 crop of feed grains by reason of the level specified in clause (B) being fixed above 68 per centum of the parity price for corn.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base: *Provided,* That no farm feed grain base shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. If for any crop, the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye, and barley, if not designated by the Secretary as provided above. Such section 328 shall be effective in 1971, 1972, 1973 to the same extent as it would be if a diversion program were in effect for feed grains during each of such years. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided,* That except for acreage provided for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

"(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no aceages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case, in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghums and, if designated by the Secretary, barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment. If the set-aside in effect under subsection (c) is less than 20 per centum of the feed grain base, the preliminary payment rate under this subsection shall be reduced proportionately.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for which a farm base acreage allotment is established (other than pursuant to section 350(e)(1)(A)) for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided*, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"SEC. 350. (a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): *Provided*, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

"(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grains are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments, for other

farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided,* That notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e)(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e)(1) The Secretary shall upon presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators non-recourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the average world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment of such a loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secretary annually pursuant to a published regulation which shall specify the procedures and the factors to be used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective. Notwithstanding the foregoing, if the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop exceeds 7.2 million bales, producers on any farm harvesting cotton of such crop from an acreage in excess of the base acreage allotment for such farm shall be entitled to loans and purchases only on an amount of the cotton of such crop produced on such farm determined by multiplying the yield used in computing payments for such farm by the base acreage allotment for such farm.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch upland cotton (micronaire 3.5 through 4.9) in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the national base acreage allotment for the 1971 crop to (ii) the national base acreage allotment for the crop for which the rate is being determined: *Provided,* That the payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3). The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield established for the farm: *Provided,* That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968 and 1969: *Provided,* That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: *Provided, further,* That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

"(4)(A) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibilty for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 28 per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. If the Secretary determines prior to the planting season for such crop that the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop will exceed 7.2 million bales, the Secretary is authorized for such crop to limit the acreage planted to upland cotton on the farm in excess of the farm base acreage allotment to such percentage of the farm base acreage allotment as he determines necessary to reduce the total supply to a reasonable level. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago, ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (e)(4)(A). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities."

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: *"And provided,* That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside program,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89-321 (79 Stat. 1210) is amended by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (1) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(1) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

SEC. 610. The Commodity Credit Corporation, in furtherance of its powers and duties under subsections (e) and (f) of section 5 of the Commodity Credit Corporation Charter Act, shall, through the Cotton Board established under the Cotton Research and Promotion Act, and upon approval of the Secretary, enter into agreements with the contracting organization specified pursuant to section 7(g) of that Act for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs and programs to aid in the development of new and additional markets, marketing facilities and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings. Each year the amount available for such agreements shall be that portion of the funds (not exceeding $10,000,000) authorized to be made available to cooperators under the cotton program for such year but which is not paid to producers because of a statutory limitation on the amounts of such funds payable to any producer. The Secretary is authorized to deduct from funds available for payments to producers under section 103 of the Agricultural Act of 1949, as amended, on each of the 1972 and 1973 crops of upland cotton such additional sums for use as specified above (not exceeding $10,000,000 for each such crop) as he determines desirable; and the final rate of payment provided in section 103 if higher than the rate of the preliminary payment provided in such section shall be reduced to the extent necessary to defray such costs. No funds made available under this section shall be used for the purpose of influencing legislative action or general farm policy with respect to cotton.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

SEC. 702. Section 104 of such Act is amended by inserting before the comma at the end of paragraph (1) of the first proviso following subsection (k) the following: ", and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: *"Provided,* That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage.".

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of

this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies and other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreements with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

(11) By striking out "June 30, 1963" in paragraph (7) and substituting "June 30, 1972".

(12) By inserting "farming opportunities and" preceding the words "interests of tenants and sharecroppers in paragraph (3)".

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 and subsequent crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of ecoonmic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

SEC. 805. (a) Notwithstanding any other provision of law, the Secretary shall permit any producer who is participating in the wheat program under title IV of this Act, in the feed grain program under title V of this Act, or in the cotton program under title VI of this Act, in any year in which an acreage diversion or set-aside program is in effect, under any such program in which such producer is participating, subject to the conditions prescribed in subsection (b) of this section, to plant and harvest hay from 25 per centum of the acreage on the farm diverted from production under such programs or twenty-five acres, whichever is greater.

(b) Any producer who elects to plant and harvest hay on diverted or set aside acreage pursuant to this section shall first agree not to use any such hay harvested from such acreage unless authorized to do so by the Secretary.

(c) When any diverted or set aside acreage has been planted and harvested under authority of this section, the hay harvested therefrom shall be baled and stored in sealed storage on the farm in accordance with such regulations as the Secretary may prescribe and shall be available only for use during periods of emergency declared by the Secretary. In order to avoid deterioration of such hay stored on the farm for emergency purposes pursuant to this section, the Secretary may permit such hay to be removed and used or sold from time to time so long as an amount of hay equal to the amount removed is previously placed in storage and sealed.

(d) Any farmer who has hay stored on his farm for emergency purposes pursuant to this section may remove such hay from storage and use it whenever the Secretary has (1) designated as an emergency area the area in which such farm is located, and (2) specifically authorized the use of emergency hay by farmers in the area.

(e) The Secretary of Agriculture is authorized to make or guarantee loans to farmers, both tenants and landowners, to assist such farmers in the construction of storage facilities on the farm for the storage of emergency hay pursuant to the provisions of this section if such farmers are unable to obtain loans from commercial sources at reasonable rates and on reasonable terms and conditions. Loans made by the Secretary under this subsection shall be made at the current rate of interest for periods not exceeding ten years, and on such other terms and conditions as the Secretary may prescribe.

SEC. 806. (a) Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), is amended by adding at the end thereof a new subsection as follows:

"(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year."

(b) Subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921–1929), is amended by adding at the end thereof a new section as follows:

"SEC. 310. Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subtitle shall remain available until expended."

TITLE IX—RURAL DEVELOPMENT

COMMITMENT OF CONGRESS

SEC. 901. (a) The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

LOCATION OF FEDERAL FACILITIES

(b) Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain, insofar as practicable, departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations.

PLANNING ASSISTANCE

(c) The Secretary of the Department of Housing and Urban Development and the Secretary of Agriculture shall submit to the Congress a joint progress report as to their efforts during the immediately preceding fiscal year to provide assistance to States planning for the development of rural multicounty areas not included in economically depressed areas under authority of the Hous-

ing and Urban Development Act of 1968. The first such annual report shall be submitted not later than December 1, 1970, and shall cover the period beginning August 1, 1968, the date of enactment of the Housing and Urban Development Act of 1968, and ending June 30, 1970.

INFORMATION AND TECHNICAL ASSISTANCE

(d) The Secretary of Agriculture shall submit to the Congress a report not later than September 1 of each fiscal year reflecting the efforts of the Department of Agriculture to provide information and technical assistance to small communities and less populated areas in regard to rural development during the immediately preceding shall be submited not later than December 1, 1970, covering the period beginning July 1, 1969, and ending June 30, 1970. The Secretary shall include in such reports to what extent technical assistance has been provided through land-grant colleges and universities, through the Extension Service, and other programs of the Department of Agriculture.

GOVERNMENT SERVICES

(e) The President shall submit to the Congress a report not later than September 1 of each fiscal year stating the availability of telephone, electrical, water, sewer, medical, educational, and other government or government assistant services to rural areas and outlining efforts of the executive branch to improve these services during the immediately preceding fiscal year. The President is requested to submit the first such annual report, covering the fiscal year ending June 30, 1970, on or before December 1, 1970.

FINANCIAL ASSISTANCE

(f) The President shall report to Congress on the possible utilization of the Farm Credit Administration and agencies in the Department of Agriculture to fulfill rural financial assistance requirements not filled by other agencies. The President is requested to submit the report requested by this section on or before July 1, 1971, together with such recommendations for legislation as he deems appropriate.

And the Senate agree to the same.

W. R. POAGE,
THOMAS G. ABERNETHY,
GRAHAM PURCELL,
B. F. SISK,
PAGE BELCHER,
CATHERINE MAY,
WILLIAM C. WAMPLER,
Managers on the Part of the House.

SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
JACK MILLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 18546, to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate struck out all after the enacting clause of H.R. 18546 and substituted a Senate amendment which, while dealing with the same subject matter, differed from it in a number of major respects. The amendment herewith reported embodies the agreement of the conferees on the various points of difference in the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment.

The conference substitute follows the structure of the House bill as to the order and arrangement of titles.

Following is a discussion of the substitute amendment as agreed to by the conferees:

TITLE I—PAYMENT LIMITATION

Section 101 of the conference substitute is identical to the House bill. The conferees, however, intend that the application of the payment limitation exemption for "lands owned by States, political subdivisions, or agencies thereof" to apply only to these governmental entities and not to other persons who may lease or rent State or local government-owned lands. In other words, it is the intent of the conferees that the payment limitation in this bill should apply to all persons who rent or lease land owned by States, political subdivisions, or agencies thereof.

It is also the conferees' intent that in applying the payment limitation to the wheat program any savings that result will accrue to the Government and will not be redistributed to other wheat growers in the form of domestic marketing certificates. In other words, the provision requiring the allotment to be such as will result in certificates being issued for the full amount of the wheat used for domestic food consumption does not mean that the allotment would be increased to the extent necessary to provide for issuance to other producers of the certificates which may be denied some producers as a result of the payment limitation in title I of the bill.

TITLE II—DAIRY

This title of the conference substitute contains four sections dealing with different aspects of the dairy program.

Section 201 deals with the amendments to the statutory authority for Federal milk marketing orders and is substantially the same as the provision included in the House bill. The differences are as follows:

1. There is a language clarification which was included in the Senate amendment relative to adjustments under clause (d) of section 8c(5)(B) of the Agricultural Marketing Agreement Act of 1937, as amended. Clause (d) is designed to specifically retain and separately state existing authority for seasonal base-excess plans.

2. Under clause (f) which extends the authority for the Class I Base plan, the conference substitute corrects a clerical error in clause (ii) and clarifies the intent of the House language in clause (v) that dairy farmers outside a Class I Base plan market shall within 90 days be entitled to competitive access and be treated the same as dairy farmers already within the scope of the order. Clause (v) also contains a clarification concerning the production facilities currently being used to determine the Class I Base allocation of such producers.

3. The conference substitute also retains the House language relative to producer-handlers. It is the clear and specific intent of the conferees that the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders that was maintained prior to the enactment of H.R. 18546, the "Agricultural Act of 1970."

4. Section 201(e) of the House bill which provided that the provisions of this section shall expire on December 31, 1973, is retained but it is amended to provide that during the three-year life of this section orders providing for Class I Base plans issued prior to December 31, 1973, may extend until December 31, 1976. In other words any area which qualifies to use the Class I Base plan authority must do so by December 31, 1973, and if the order is issued prior to that date, it could extend into the future as far as December 31, 1976.

Nothing in this amendment is intended to alter the authority in the law for either producers or the Secretary to terminate or amend any Class I plan prior to its termination as otherwise provided.

Sections 202 and 203 of the conference substitute deal with the suspension of butterfat price supports and the military and veterans hospital dairy program and are unchanged from the House bill.

Section 204 of the conference substitute deals with dairy indemnity payments and contains the Senate provision making dairy processors also eligible for relief under the Act of August 13, 1968. The conferees, however, have included language in this provision intended to make its application in respect to dairy processors prospective and applicable only to claims originating subsequent to the enactment of H.R. 18546. Producer indemnity payments have been authorized for six years, and it is the conferees intent that any producer claims arising during the period beginning with the expiration of the Act of August 13, 1968, and the date of enactment of this bill will also be entertained and adjudicated by the Secretary.

In addition, the conferees wish to make it clear that the absence of a specific reference in H.R. 18546 to the Secretary's authority to issue manufacturing milk marketing orders under the 1937 Act is not intended to be construed as their belief that such authority does not exist. On the contrary, the conferees feel that such authority exists and it is unnecessary to include it in this bill.

TITLE III—WOOL

Section 301 of the conference substitute which amends and extends the National Wool Act for three years is identical to the House bill.

TITLE IV—WHEAT

The conference substitute incorporates most of the language of title IV of the House bill. The following major Senate amendments as modified by the conferees are included:

1. A floor on the loan of $1.25 during each of the next three years.

2. A limit on the number of acres that the Secretary may set aside without making diversion payments to wheat farmers to 13.3 million acres in 1971 and 15 million acres during each of the following two years.

3. A special provision for summer fallow farms providing that no further set-aside need be made after 55 percent of cropland on the farm has been devoted to summer fallow practices.

4. Standby authority for the Secretary to impose acreage restrictions on the 1973 crop of wheat. The House bill provided such authority for the first two years, 1971 and 1972.

The main Senate amendments not included in the conference substitute are:

1. Extension of the wheat provisions of the Food and Agriculture Act of 1965 to the 1971 wheat crop.

2. The conduct of a referendum under which wheat farmers would choose for 1972 and 1973 between a continuation of the wheat program under the 1965 Act or the set-aside program provided in the House bill.

3. A small farm wheat certificate bonus of 30 percent for producers on farms of not more than 160 acres who annually had off-farm earned income of not more than $2,000 and sales of farm products of not more than $5,000.

4. Mandatory advance payments within 60 days of sign up.

5. Authority for the Secretary to extend the 1973 wheat program to the 1974 crop if Congress had not acted on new wheat legislation in the fall of 1973.

Sections 402 and 501 of the Senate amendment provided for mandatory loans on farm-stored wheat and feed grains and required, to the maximum extent practicable, the renewal of loans on these grains. The conference substitute deletes these provisions because there is ample authority in existing law

for the issuance of price support loans on grains stored on the farm where produced and for renewal of loans. The conferees note that farm storage and reseal of grain has been a Department practice for a number of years, and the Department has assured the conferees that it intends to continue this policy.

The Senate amendment also contained a provision which would have required persons processing flour second clears, gluten, or other products or by-products of wheat for which domestic marketing certificates have not been obtained to do so if these materials were in the commercial production of food products.

The conference substitute deletes this provision.

The conferees were advised by the Department of Agriculture that the Senate amendment would be difficult to administer and would create international difficulties while failing to go to the heart of the problem.

The following letter from the Department of the Treasury to Senator Miller explains the Bureau of Customs action in regard to this matter:

DEPARTMENT OF THE TREASURY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., November 25, 1969.

DEAR SENATOR MILLER: Secretary of the Treasury Kennedy has asked that I reply to your inquiry of November 7, 1969, in which you expressed your interest and views on the Bureau of Customs' proposed reclassification of imported second clear wheat flour.

Second clear wheat flour has been imported for many years ex quota and, until 1967, it was classified for tariff purposes under the provision for animal feeds and ingredients therefor because it was chiefly used for that purpose. However, after conducting a study of the uses being made of this product, the Bureau concluded in 1967 that it was no longer chiefly used for animal feed purposes. Accordingly, the Bureau adopted measures involving a change in the tariff treatment of this product. In connection with these measures, several notices of intent to change the classification of imported second clear wheat flour were published in the Federal Register, the latest being February 28, 1969 (34 F.R. 3635).

In the above-mentioned notice, the Bureau stated its tentative conclusion that second clear wheat flour is classifiable under the provision for other non-enumerated products in item 799.00, Tariff Schedules of the United States, with duty at the rate of 8 percent ad valorem. Interested parties were requested to submit written views on this tentative conclusion. The Bureau received numerous representations and statements in response to the notice, and these are currently under review. You may be assured that your views, as well as those of all interested parties, will be carefully considered in arriving at a final conclusion.

The notice referred to above stated a tentative conclusion and is subject to review before a final order may be issued. Several alternative classifications for this product are also being considered. When this matter has been reviewed and a final conclusion reached, you will be informed of such action as is taken at that time.

If we can provide any additional information or be of further assistance, please feel free to call on us.

Sincerely yours,

EUGENE T. ROSSIDES.

It is the opinion of the conferees that any imported product which is used primarily in food processing should be classified for tariff purposes as a food product in the appropriate category.

The conferees therefore recommend that the Bureau of the Customs take appropriate action to classify imported second clear flour in its proper classification consistent with current usage.

TITLE V—FEED GRAINS

The conference substitute contains most of the language of title V of the House bill.

The following provisions included in the Senate amendment are, however, included in the conference substitute:

1. A floor of $1.00 per bushel on corn for each of the next three years. The House bill contained no such provision.

2. A floor expressed in terms of parity on the target price guarantee for corn. Under the House bill this floor was set at $1.35 per bushel. The conference substitute retains the House provision, but adds a 70 percent of parity guarantee as well.

The conference substitute also contains specific language which is designed to apply in the event 70 percent of parity exceeds $1.35 in 1973. This provision represents a compromise between those Members of the Conference favoring 68 percent of parity and those Members favoring 70 percent or more. If, for the 1973 crop of corn, use of the 70 percent of parity figure would result in an increase in total payments under the feed grain program over the total payments made in 1972 by reason of the level being fixed above 68 percent of parity, such increase will not be effective. It is recognized that factors other than the parity differential could result in an increase in total payments for 1973 over the total for 1972. If 70 percent of the parity price for any marketing year exceeds $1.35, the Secretary shall make every effort to maintain the market price for corn at such level as will not require a payment in excess of 32 cents per bushel.

3. Standby authority for the Secretary to impose acreage restrictions on the 1973 crop of feed grains. The House bill provided for such authority for the first two years, 1971 and 1972.

4. A requirement for the Secretary to proportionately reduce the level of feed grain preliminary payments if the feed grain set-aside is less than 20 percent. There was no comparable provision in the House bill.

5. A provision which preserves history on feed grain bases not planted by a farmer who forgoes payments to which he would otherwise be entitled. There was no comparable provision in the feed grain section of the House bill, but a similar measure was included in the wheat title of the House bill.

The main Senate amendments not included in the conference substitute are:

1. The mandatory inclusion of barley as a feed grain under the program.

2. A small farm feed grain bonus of 30 percent for producers on farms of not more than 160 acres who annually had off-farm earned income of not more than $2,000 and sales of farm products of not more than $5,000.

3. Mandatory advance payments within 60 days of sign-up.

4. An exemption under the feed grain program for malting barley.

TITLE VI—COTTON

Title VI of the conference substitute contains most of the language of the House bill, but the conferees made the following main changes:

1. A provision requiring that payments, when added to the national average market price during the first five months of the marketing year, shall equal 35 cents or 65 percent of parity, whichever is greater. The House bill did not contain a parity guarantee, and the Senate amendment calculated these payments as the difference between the loan and the higher of 35 cents or 65 percent of parity.

2. A small cotton farm payment bonus of 30 percent to producers having allotments of 10 acres or less or producing 5,000 pounds or less. The House bill did not contain a small farm bonus provision.

3. Establishment of the loan level at 90 percent of the average world price for the preceding two years. The House bill required a loan equal to 90 percent of the world price as estimated by the Secretary of Agriculture.

4. Anniversary-type loan program. The House bill contained no comparable provision.

5. A limitation on eligibility for loans on cotton produced beyond the base acreage in 1972 or 1973 if the carryover at the start of either year exceeds 7.2 million bales. The House bill contained no comparable provision.

6. Discretion for the Secretary to restrict cotton production in excess of the base acreage allotment if the carryover at the start of either 1972 or 1973 exceeds 7.2 million bales. The House bill contained no comparable provision.

7. A cotton set-aside equal to not more than 28 percent of the base acreage. The House bill established a set-aside of not more than 33⅓ percent.

8. A new cotton research program. The House bill contained no comparable provision.

It is the intent of the Conferees that under section 610 of the conference substitute the Commodity Credit Corporation shall divert to the Cotton Board not more than $10,000,000 annually in 1971, 1972, and 1973 from those sums which would otherwise be paid to cotton producers, but for the operation of payment limitations, in order to develop and expand both domestic and foreign markets for upland cotton. The only discretion intended for the Secretary in this regard is over the approval or disapproval of various research and promotion projects, as is the case under the Cotton Research and Promotion Act.

It is the conferees intent that the Secretary be given discretion to use an additional $10,000,000 annually during 1972 and 1973 for the same purposes.

TITLE VII—PUBLIC LAW 480

Section 701 of the conference substitute extends titles I and II of Public Law 480 for an additional three years and is identical to the House bill.

Section 702 of the conference substitute is an amended version of section 703 of the Senate amendment dealing with the educational and cultural exchange program conducted pursuant to the Act.

The conference substitute deletes the Senate provision which would have increased the level of funds required to be available for this program from 2 percent to 5 percent of new foreign currency agreements. It rewrites section 703(b) of the Senate amendment so as to allow appropriation acts to specifically authorize the use of foreign currencies without requiring the appropriation of dollars for the purchase of those same foreign currencies.

Section 702 of the Senate amendment dealt with Public Law 480 market promotion activities concerning alcoholic beverages and is not included in the conference substitute.

TITLE VIII—GENERAL AND MISCELLANEOUS

Long-term land retirement

Section 801 of the conference substitute deals with long-term land retirement. The conference substitute makes the following changes in the House bill:

1. A provision which restricts acreage in the program to such an amount as will not adversely affect a county or local community.

2. A provision allowing cost sharing with other Federal agencies.

3. Authorized to use CCC funds to finance the program until June 30, 1972.

The main Senate provision not included in the conference substitute was the amend-

ment calling for the annual retirement of up to six million acres during each of the next three years. The authorized level of expenditures as provided in the House bill ($20 million plus carryover) is unchanged in the conference substitute.

Marketing quota exemption for boiled peanuts

Section 802 of the conference substitute provides for a permanent extension of the boiled peanut marketing quota exemption as was provided in the Senate amendment. The House bill provided for a three-year extension of this provision.

Voluntary relinquishment of allotments

Section 803 of the conference substitute deals with the voluntary relinquishment of allotments or bases and is identical to the House bill.

Indemnification of beekeepers

Section 804 of the conference substitute establishes a beekeeper indemnity program and is identical to the House bill.

Baled hay storage

Section 805 of the conference substitute incorporates a baled hay storage provision into the wheat, feed grain, and cotton set-aside program.

It permits producers to plant, harvest, and bale hay grown on wheat, feed grain, and cotton set-aside acres and store for future emergency periods declared by the Secretary. The Secretary could also make loans for baled hay storage facilities. There was no comparable provision in the House bill.

FHA loans

Section 806 of the conference substitute amends the Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants) and for direct real estate loans to farmers and ranchers shall remain available until expended. Also provides that unused authorizations for appropriations shall carry over from year to year. There was no comparable provision in the House bill.

CONDITION BEYOND THE CONTROL OF THE PRODUCER

The phrase "Condition beyond the control of the producer" which appears in the history preservation provisions of the wheat, feed grain, and cotton sections of the bill was carefully considered by the conferees.

It is the intent of the conferees that this phrase include such contingencies as a quarantine imposed by a local, State, or Federal Government agency and any payment limitation which is included in this or subsequent legislation.

As originally pointed out in the House report on H.R. 18546, one of the main objectives of this legislation is to give farmers greater latitude in making choices as to how to operate their farms. Therefore the conferees do not intend to reduce the acreage history of any farmer because he does not plant and harvest that part of his farm allotment of wheat, feed grains or cotton on which he is denied payments by reason of a payment limitation.

TITLE IX—RURAL DEVELOPMENT

Section 901 commits Congress to a sound rural-urban balance and provides for various reports on planning assistance, technical assistance, government services and utilities, and financial assistance. This title also requires a Federal policy that new offices and facilities be located, insofar as practicable, in communities of lower population density. There was no comparable provision in the House bill.

A BRIEF SUMMARY

There follows a brief summary of the principal provisions of the conference substitute:

TITLE I—PAYMENT LIMITATION

1. Establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, and feed grains.

2. The limitation imposed considers all payments made for price support, set-aside diversion, and public access, as well as marketing certificates.

3. The Secretary is authorized to adjust set-aside acreage and is directed to issue regulations necessary to insure fair and reasonable application of this title.

TITLE II—DAIRY

1. Amends and extends the authority for the Dairymen's Class I Base Plan in Federal milk market order areas and provides that any area covered by the program during the next three years could continue to have it in effect up to December 31, 1976.

2. Suspends the operation of the mandatory butterfat price support program for farm-separated cream and permits the Secretary to set lower support prices on butter.

3. Extends the Secretary's authority to donate dairy products owned by CCC to the Armed Services and Veterans Hospitals.

4. Provides authority to make indemnity payments to dairy farmers and dairy processors who, through no fault of their own, have their milk or dairy products contaminated by and condemned because of the presence of pesticides and residues.

TITLE III—WOOL

1. Extends the National Wool Act of 1954, as amended, through December 31, 1973.

2. Continues the present incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

TITLE IV—WHEAT

1. Suspends marketing quotas and acreage allotments for 1971, 1972, and 1973.

2. Provides domestic marketing certificates for farmers participating in the set-aside program in an amount equal to U.S. food consumption (not less than 535 million bushels annually).

3. Sets the face value of these domestic certificates at the difference between the wheat parity price (currently $2.85 per bushel) and the average price received by farmers during the first five months of the wheat marketing year (which starts on July 1).

4. Provides for a "preliminary" payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment (if any) would be paid after December 1. If the Secretary's estimate were too high, no refunds by farmers would be required.

5. Continues the cost of certificates to wheat processors at 75 cents per bushel.

6. Authorizes the Secretary to set nonrecourse loans to participating farmers from $1.25 per bushel to 100 percent of the parity price for wheat.

7. Establishes a set-aside program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary. The 1971 set-aside would be 13.3 million acres. The 1972 and 1973 set-aside could not exceed 15 million acres.

8. Authorizes additional set-aside and public recreational access payments.

TITLE V—FEED GRAINS

1. Establishes a voluntary feed grain (i.e. corn, grain, sorghum, and barley) program for 1971, 1972, and 1973.

2. Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between the higher of (a) $1.35 per bushel or (b) 70 percent of the parity price (for corn) and the average market price for the first five months of the marketing year (which starts on October 1 on corn and grain sorghum and July 1 on barley). In no event, however, would these payments be less than 32 cents per bushel for corn (with corresponding rates on grain sorghum and barley).

3. Authorizes the Secretary to set the nonrecourse loans level for corn from $1.00 per bushel to 90 percent of parity.

4. Authorizes additional set-aside and public recreational access payments.

5. Establishes a set-aside program under which participating farmers would be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

6. Provides for a preliminary payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and $1.35 were more than 32 cents during the first five months of the marketing year, an additional payment would be made. In no event would refunds by farmers be required.

TITLE VI—COTTON

1. Provides payments on the estimated production from 11.5 million acres for the 1971 crop. In 1972 and 1973 the base acreage allotment would be set by the Secretary, and total payments would be adjusted accordingly.

2. Provides participating cotton farmers with loans and payments. The loan would be 90 percent of the average world price for two previous years. The payment would be the difference between the higher of 65 percent of parity or 35 cents and the average market price for the first five months following the beginning of the marketing year (which begins August 1), but in no event less than 15 cents per pound. No refunds by farmers would be required. Small farms would be eligible for 30 percent bonus payments.

3. Authorizes payments to participating farmers on acreage made available to the public for recreational purposes or on additional voluntary set-aside acreage.

4. Provides for a set-aside of cropland (not to exceed 28 percent of the cotton allotment) as a condition of eligibility for benefits under the program.

5. Establishes a voluntary program under which marketing quotas and penalties would be suspended for three years.

6. Requires participating farmers to plant cotton to receive payments, with two exceptions: (a) if unable to do so because of natural disaster or other condition beyond producers' control; (b) if not less than 90 percent of allotment is planted.

7. Provides for cotton research and promotion program.

8. Allows the sale of cotton allotments within a State, permits the lease of allotments within a State, and provides for the release and reapportionment of allotments during the 3-year life of this legislation.

9. Authorizes anniversary-type loan program under which the Secretary shall, after being presented with warehouse receipts reflecting accrued storage charges of not more than 60 days, make non-recourse loans for a term of 10 months from the first day of the month the loan is made.

TITLE VII—PUBLIC LAW 480

1. Extends the provisions of P.L. 480 (the "Food for Peace" program) which authorizes donations and long-term dollar credit and foreign currency sales of U.S. farm commodities to underdeveloped nations.

TITLE VIII—GENERAL AND MISCELLANEOUS

1. Continues the "Cropland Conversion" and "Greenspan" (long-term land retirement programs) at an authorized appropriation level of $10 million annually for each program.

2. Extends permanently the exemption from marketing quotas for boiled peanuts.

3. Permits farmers or other land owners who do not desire to hold an allotment on any crop under a government program to voluntarily relinquish it. (This would be a permanent provision.)

4. Establishes an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

5. Permits producers to plant, harvest, and bale hay grown on wheat, feed grain, and cotton set-aside or diverted acres and store such hay for future emergency periods declared by the Secretary. The Secretary could also make loans for baled hay storage facilities.

6. Amends the Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants) and for direct real estate loans to farmers and ranchers shall remain available until expended. Also provides that unused authorizations for appropriations shall carry over from year to year.

TITLE IX—RURAL DEVELOPMENT

1. Commits Congress to a sound rural-urban balance and provides for various reports on planning assistance, technical assistance, government services and utilities, and financial assistance. Also requires a Federal policy that new offices and facilities be located, insofar as practicable, in communities of lower population density.

W. R. POAGE,
THOMAS G. ABERNETHY,
GRAHAM PURCELL,
B. F. SISK,
PAGE BELCHER,
CATHERINE MAY,
WILLIAM C. WAMPLER,
Managers on the Part of the House.

TENTH ANNUAL WEST SIDE COMMUNITY CONFERENCE—LIFE, POWER, AND POLLUTION

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, one of the critical problems facing our Nation and all mankind is the complex problem of life, power, and pollution.

Early this year, leading world experts and scientists joined with citizens of the West Side of Manhattan and of New York City to discuss the problem and to consider possible approaches and solutions.

Some 30 national and international experts joined with us in the 10th annual West Side Community Conference sponsored by me and by the Democratic and Liberal Clubs of the West Side.

I believe that elected officials, and particularly Members of Congress, have a special responsibility to increase citizen participation in public affairs. I believe that the public and those who mold policy are obligated to one another for understanding and direction.

Thus every year of my tenure in Congress I have sponsored an annual day-long community conference in New York City. The conferences are free of charge and free of partisan orientation. They bring together leaders in the Government and the academic world with the citizens to whom they are responsible for an exchange and an interchange of views.

On Saturday, April 18, 1970, we held our 10th annual West Side Community Conference on "Life, Power, and Pollution." More than 1,500 individuals attended and took part in the five panels and the plenary session at Riverside Church, New York City.

Speakers at the plenary session were Senator EDMUND S. MUSKIE, the Honorable T. T. B. Koh, member, U.N. Human Environment Preparatory Committee, permanent U.N. representative of the Republic of Singapore, and myself.

Other panelists included:

Dr. Roslyn Barbash, New Jersey Council on Clean Air and Water, New Jersey Medical Society.

Donham Crawford, managing director, Edison Electric Institute.

Merril Eisenbud, former New York City environmental protection administrator; director, Laboratory Environtal Studies, New York University Institute of Environmental Medicine.

Frederick W. Lawrence, assistant chief economist, Federal Power Commission.

William H. Megonnell, chief abatement officer, National Air Pollution Control Administration.

S. Smith Griswold, air pollution consultant; former chief abatement officer, National Air Pollution Control Administration.

Hartley W. Howard, technical director, Borden, Inc.

Herbert L. Ley, Jr., former Commissioner, Food and Drug Administration.

Diana Lyons, United Farm Workers, AFL–CIO.

Jean Mayer, professor of nutrition, Harvard University; Chairman, White House Conference on Food, Nutrition and Health.

Betty Furness, former Special Assistant to the President for Consumer Affairs; columnist, McCall's.

Robert H. Boyle, senior editor, Sports Illustrated; author, "The Hudson River."

Maurice M. Feldman, New York City commissioner of water resources.

Gerald J. Lauer, New York University Institute of Environmental Medicine.

James M. Quigley, former Commission, Federal Water Pollution Control Administration; former Member of Congress.

John Clark, acting director, Sandy Hook Marine Laboratory.

Frank R. Bowerman, former assistant chief engineer, Los Angeles County Sanitation District; vice president, Land Pollution Control Group, Zurn Industries.

Leo Weaver, American Public Works Association.

Samuel J. Kearing, Jr., former New York City commissioner of sanitation.

Ben Miyares, editor, "Food and Drug Packaging."

Tom Stokes, director, Environment.

George B. Hartzog, Jr., Director, National Park Service; Boris Pushkarev, vice president, Regional Plan Association coauthor, "Manmade America: Chaos or Control";

Dave Sive, director, Natural Resources Legal Fund;

Gary A. Soucie, executive director, Friends of Earth;

Nicholas A. Robinson, chairman, Environmental Law Council, Columbia University Law School.

I wish it were possible to acknowledge by name everyone whose work and leadership made the conference a success. I do want to thank the following people who made particularly vital contributions.

The cochairmen of the conference were Susan Cohn and Doris Clark. With the assistance of the conference committee they coordinated the entire conference.

Members of the committee, who worked with great energy over many months, were: secretary, Elaine Bernstein; treasurer, Ira Zimmerman; administrator coordinators, Elizabeth Savels, Jose Melendez; press, Bob Aronson, Rita Kardeman, Alan Kohn, Jules Rothstein; publications, Jack Rennert; photographer, Philip Eisner; panel coordinators, Betty Jo Bailey, Ann Comay, Jean Faust, Chauncey Olinger, William Rice, Toby Roxburgh; arrangements, Rita Breitbart, Hugh Ferry, Virginia Horton, Rosalind Silver, Ellen Wallach.

Other members of the conference staff were: Suzanne Abramson, Zvi Abramson, Mildred Ake, Sarah Arthur, Nancy Auster, Stephen Balicer, Ada Bass, Miriam Biddleman, Emmy Bloch, Scott Clark, Myra Dale, Noel DeLeon, Mrs. Noel DeLeon, Sylvia Diaz, Betsy Eisner, Philip Eisner, Peggy Fahnstock, Vivian Feyer, William Feyer, John Fisher, Dora Friedman, Helene Friedman, Wendel Gilbert, Paul Henri Girin, Susanna Gross, Judy Gurian, Sylvia Guzman, Judy Harrow, Eleanor L. Henson, Nancy Hinman, Maria Jimenez, Betty Kelly, Barbara Kleger, Joan Kunkel, Arthur Lane, Carol Leimas, Rosaura Maldonado, Jan McCarthy, Mark Meyer, Jean Miles, Henry Neale, Dan Nelson, Richard Neumeier, Josephine Odom, Peter Osman, Barbara Pettey, Lome Piasetsky, Anna Lou Pickett, Hugh Pickett, Eva Popper, Sharon Powers, Alan Rachlin, Susan Reed, Bob Reischauer, Laura Robinson, Tamara Rosen, Rita Salisbury, Joan Serrano, Richard Serrano, Barbara Silverstone, Lorna Sloan, Juanita Smith, Gina Staples, Barbara Steinberg, Judy Stievelband, Marion Stone, Leilani Straw, Jacob Waldman, Israel Weinstein, Barry Willis.

To each and every one who participated in the work of the conference we are indebted.

I also want to acknowledge the friendly cooperation of Mrs. Theodore A. Dilday; Mr. Lopez; Mr. Lyndstrom; Mr. French and the staff of Riverside Church. Our thanks also to the staff of WRUR; Garland C. Hartsoe, assistant manager Men's Faculty Club, Columbia University, and the staff of the 20th Congressional District Office.

The participating clubs were: Ansonia Independent Democrats, Audubon Reform Democrats, Carver Democratic Club, Central Harlem Liberal Club, Community Free Democrats; Fort Washington-Manhattanville, Hamilton Heights, and Kennedy Democrats, F. D. R.-Woodrow Wilson Democrats, Heights Reform Democrats, John F. Kennedy, Democratic Club, New Chelsea Reform Democratic Club, New Democratic Assembly, New Horizons Democratic Club, Original John F. Kennedy

Democrats, Park River Independent Democrats, Riverside Democrats, Solomon Weiss Liberal Club, Tioga Democratic Club, Village Independent Democrats, Washington Heights Progressive Democrats, West Side Liberal Club.

I am also deeply grateful to the large number of community sponsors whose generous contributions enabled the conference to be held.

The conference committee outlined the general theme of the conference in the following statement which raises some of the basic questions which must be resolved if the implications of the ecological crisis are truly to be faced:

In a modern society, each of us is a polluter. It would be more comfortable to place all the blame on impersonal entities—"the system," "the establishment," or "big business." While individual and corporate action and government inaction has played the major role in bringing us to our present disastrous condition, they have been ably assisted and abetted by each individual, ready to reap the personal benefits of convenience and ease. Every enzyme pre-soaking, every aluminum can, every weekend car rental, every pre-packaged cook-and-serve dinner contributes to a polluted environment.

We did not arrive at our calamitous state simply because of greed or indifference. We will not change it through moralizing. There are very real conflicts in legitimate social goals. We may now understand the effects of insecticides on the ecological balance, but who will argue that the under-developed nations must continue to live with plague and wide-spread disease? We may recognize that massive urban construction poses massive disposal problems, but who will tell the poor that they must continue to live in substandard housing? We will not resolve our conflicts by arguing for a return to a pre-technological society.

Many argue that it is now survival itself which is in question, that the answer is not in the vague future awaiting conferences and studies, and that action delayed may well ensure the most radical answer of all . . . the end of life on earth.

It is our hope that today's conference will face in some depths the implications of the ecological crisis for each of us—the questions beyond the current flurry of interest.

Can the scientists and technicians agree at this point on what the solutions are?

What changes must each of us accept in our "life style?" What is the nature of the sacrifices involved if we are to restore our environment? What are the costs in money, in convenience? What are the possible effects on our economic system? What will it mean in jobs, in food, in public expenditures? What role must be played by government, by industry, by the consumer in reordering our goals and achieveing a new approach? What specific actions can we as individuals take to bring about the needed solutions?

Finally we must ask, are these questions themselves relevant? Can a democratic society which balances competing needs and interests resolve these conflicts? Can each of us, members of some pressure group—a union, a consumer organization, a professional association—individuals with personal concerns and demands, can we understand, recognize and work for solutions vital to the salvation of all?

At the plenary session, Senator MUSKIE, Ambassador Koh, and I touched on ditfferent aspects of the pollution problem facing our Nation and the world.

I include at this point in the RECORD the remarks of Senator MUSKIE, Ambassador Koh, and myself at the plenary session.

REMARKS BY SENATOR EDMUND S. MUSKIE BEFORE THE 10TH ANNUAL WEST SIDE COMMUNITY CONFERENCE, APRIL 18, 1970

I am very privileged to be invited to participate in this conference.

In this vast and beautiful center of worship there is a special drama as people of all ages and conditions of life have gathered to concern themselves about the health and welfare of their city. We are searching together for a national policy of environmental protection affecting all communities of the country.

Providing for this forum of understanding and dialogue, the West Side Community Conference has performed a remarkable public service over a period of ten years.

It is good to be here among friends.

Until the 20th Century, the worldview of Western man was based on notions of fixed values and absolute laws.

We believed that the past infinitely repeated itself in cycles, and that the future was logically and predictably determined by the past.

Life was thought of as a state, rather than as a process, and the expressed goal of society was to achieve and maintain "normalcy."

But then in the early part of this century, the modern age burst into being. In an extraordinary flash of discovery and imagination, the sciences—physical and social—began to discover that their classical laws, so lucid and permanent, were merely fictions invented by the human mind and imposed upon a reality that refused to conform.

We discovered that we were living in a dynamic, unpredictable world of process and flux.

But despite the vast gains we have made in theory and knowledge on all fronts, in large part we still live by the inherited assumptions of a previous age. We still live by the social equivalent of Newtonian physics.

We act as though a luxurious future and a fertile land will continue to forgive us all the mistaken traditions by which we still abuse our physical and social environment.

The fact is that our shrinking margins of natural resources are the bottom level in the barrel. There are no replacements, no spare stocks with which we can replenish our supplies.

Our nation hangs together by tenuous bonds that are now strained as they have never beenstrained before. We now know that we live in a country of limited natural resources and fragile human resources, and that we cannot survive an undeclared war on our future.

An environmental conscience has of late been awakened in our nation, and it holds great promise for reclaiming our air, our water and our land.

But man's environment includes more than these natural resources. It includes the shape of the communities in which he lives, his home, his schools, his places of work and his society.

And it is essential to the quality of our national future that we recognize the present overall crisis of life in America. The environmental conscience may be the instrument needed to turn the nation around.

Through an awareness that the total environment determines the quality of life, we can begin to make those decisions that will salvage our nation from becoming a class-ridden physical wasteland.

We must forge a wholesale change in our priorities and our values. We must redefine our standard of living, reflecting the knowledge that both our human and natural resources are at stake.

The roots of the environmental crisis stretch as far back as the nation itself. Life in America was cheap in the beginning. Natural resources were plentiful, and the idea that there had to be limits on our material growth never entered our minds.

Early farming paid scant attention to conserving the land that produced the crops. We took trees from the forests without thinking of the possibility that our timber supply was not endless. Soon after industry first came to America, some of our rivers were seriously polluted and the air in some cities and towns was fouled.

But, as our cities grew and became more crowded, enough Americans could escape from the confines of soot and clutter so that the voices of those who were trapped were never really heard.

So pollution was isolated by the very size and openness of America. A river here, a forest there, a few of our larger, more industrialized cities—these early examples of environmental destruction seemed a small price to pay for our prosperity.

This was the frontier ethic: America pushing ahead and getting ahead, with an unlimited future—with a manifest destiny ahead of us.

The frontier ethic helped us build the strongest nation in the world. But it also led us to believe that our natural and human resources were endless, that our rivers could absorb as much sewage as we could pour in them, that there was automatic equal opportunity for everyone, that our air would always be clean, and that hunger and poverty didn't really exist in America.

The physical harnessing of the land absorbed us almost completely, and, in the process we did much more than domesticate it: we conquered it and are on the verge of killing it.

The luxury of space once absorbed our mistakes. If we irretrievably foulded our home areas, we could always pull up and make a fresh start farther west.

But the Western frontier is now gone. We have reached the shores of the Pacific, and the tide of our civilization has washed back into our cities.

We have become an industrialized, technically sophisticated society—and yet we still live by the old ethic of infinite horizontal expansions.

A frontier still exists, though, and we now confront it nationally. The frontier is no longer our West, or even "out there" anywhere.

It is now an internal and personal frontier. We now face—collectively and individually—a moral frontier.

And it is defined by the point at which we are willing to cut back our hungry selfishness in favor of selflessness.

It is marked daily by the extent of our concern for future generations. They deserve to inherit their natural shares of the American garden—as we have—but conceivably they could inherit a physical and moral wasteland.

We have reached a point where man, his environment, and his industrial technology intersect. We confront a deteriorated environment, a devouring technology and our fellow men. Relative harmony has become a three-cornered war—a war where everyone loses.

No society has ever reached this point before, no society has ever solved this problem. We have no past experience to guide us.

We have no choice but to turn away from uncontrolled economic and technological growth that ignores the increasing strain on the environment.

Our technology has reached a point in its development where it is producing more kinds of things than we really want, more kinds of things than we really need, and more kinds of things than we can live with.

We have to learn to choose, to say no, and to give up the luxury of absolute and unlimited free choice. These kinds of decisions

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

For actions of October 13, 1970
91st-2nd; No. 180

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

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HIGHLIGHTS: House accepted conference report on farm bill and agreed to Senate amendments to bill revising Federal Aid in Wildlife and Fish Restoration Acts.
House committee reported plant variety protection bill and voted to report bill authorizing receipt of gifts for NAL.
Rep. Goodling criticized distribution of food stamps to strikers.
Senators Dole, Miller and others urged action on Farm Bill Conference report before recessing and deplored attempts to keep the report from reaching the floor.

HOUSE

1. FARM BILL. ~~Accepted the~~ Agreed to conference report on H.R. 18546, the proposed Agricultural Act of 1970. pp. H10057-62; several senators were critical of delay in farm bill conference report action. pp ~~S 1768-74.~~ S17968-74

2. FISH AND WILDLIFE. Agreed to the Senate amendments to H.R. 12475, to revise and clarify the Federal Aid in Wildlife Restoration Act and the Federal Aid in Fish Restoration Act. This bill now goes to the President. p. H10039

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3. AGRICULTURE COMMITTEE ACTION.
Reported without amendment S. 3070, the plant variety protection bill. (H. Rept. 91-1605). p. H10092; and
Voted to report (but did not actually report) H.R. 19402, authorizing the receipt of gifts for the benefit of the National Agricultural Library. p. D1145

4. FOOD STAMPS. Rep. Goodling stated the food stamp program "has become distorted" through issuance of stamps to strikers and urged the program be returned to "its proper 'assistance to the needy' form". p. H10083

5. SOLID WASTE DISPOSAL. Agreed to conference report on H.R. 11833, to amend the Solid Waste Disposal Act. This bill now goes to the President. pp. H10066-7

6. OUTLAYS. Received a letter from the Director, Office of Management and Budget, transmitting a report on the operation of the limitation on budget outlays for FY 71, for the period through September 30, 1970, pursuant to section 501 of the Second Supplemental Appropriations Act, 1970 (H.Doc. 91-403); to the Committee on Appropriations. p. H10092

SENATE

7. RECESS. Agreed to H. Con. Res. 774 providing for recess of the Congress from Wednesday, October 14 until Monday, Nov. 16. p. S17950

8. WILDERNESS. Passed with amendment S. 1142, to classify as wilderness national forest land adjacent to the Eagle Cap Wilderness Area known as Minam River Canyon. pp. S17811-12

9. RIVER BASIN COMPACT. Judiciary Committee reported with amendments S. 1079, granting congressional consent to the Susquehanna River Basin Compact (S. Rept. 91-1333). p. S17816

10. FARM BILL. Senators Dole, Miller and others spoke of the need to act on the Farm Bill before the recess and deplored attempts to prevent the Conference Report from coming before the Senate. pp. S17968-74; S17978-83

11. CONSUMER. Sen. Hart placed in the Record the Marketing Conference sppech delivered by FTC Commissioner Elman, "The Consumer Movement--And What It Means for Business" pp. S17836-37

BILLS INTRODUCED

12. CONTRACTS. H.R. 19696, by Rep. Foley et al, to authorize the Secretary of Agriculture to enter into negotiated contracts for the protection from fires of lands under the jurisdiction of the Department of Agriculture; to the Committee on Agriculture.

that hard drug addiction is inexplicably interwoven into the problems underlying every assault, mugging, robbery, and burglary committed by our Nation's growing addict population. Drug use is sapping the will of many of our young people. The crippling effects are too often permanent. There is no limit to what an addict will do to obtain money to feed his craving for narcotics, nor what he may do under their influence. However, few people are aware of, or willing to admit, that the problem lies much deeper than the addict or the local pusher. I refer to its source, the supplier. The sale and distribution of these very dangerous and insidious drugs is big business. It requires large financing and yields enormous profits. Profits which are used to penetrate and eventually control many of our legitimate businesses.

Our New York hearings established clearly how organized crime not only controls and monopolizes most of the significant heroin trafficking into this country, but also uses the classical channels of international banking to protect its vast profits and shelter its financial machinations. Often, respectable financial institutions are unwittingly used by organized crime to perpetrate their worldwide heroin operations.

We have heard from several witnesses who testified at our New York and Washington heroin hearings that problems of investigation, detection, and ultimate prosecution are difficult, if not impossible, since organized crime utilizes every conceivable financial channel plus the advantages offered by the secrecy laws of Switzerland, Panama, and the Bahamas.

Several leading prosecutors who have testified before the House Select Committee on Crime have stated that it has been difficult, if not impossible, for their respective offices to deal with organized criminal activity since organized crime figures avail themselves of the finest minds who skillfully utilize the channels of international finance conveniently aided and abetted by the various secrecy laws of Switzerland, Liechtenstein, Panama, Belgium, and the Bahamas.

One of the reasons for this difficulty is the lack of evidence. Our own domestic institutions have not been retaining records of these complicated financial transactions and, once the illicit money is in a foreign secret bank account, either by transfer from an American bank or by courier to a foreign bank, the shield of secrecy provided is almost impregnable.

This bill requires that our own financial institutions keep certain records and reports concerning the importing and exporting of large amounts of money. Additionally, the bill requires the keeping of records of foreign transactions. Such information will be helpful to our law enforcement officers in their pursuit of the illicit profiteers, who make vast sums of money by their multiple criminal machinations.

I do not mean to suggest that the legislation goes as far as I would like it to go. Much responsibility and discretion has been given to the Secretary of the Treasury. His administration of its provisions will determine much of its effectiveness and his early experience, I am sure, will enable Congress to improve on it. I have no doubt that the Secretary will immediately endeavor to devote his energies and his agencies resources to the proper implementation of this meritorious legislation.

Mrs. SULLIVAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the conference report just adopted.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CONFERENCE REPORT ON H.R. 18546, AGRICULTURAL ACT OF 1970

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. POAGE)?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 12, 1970.)

Mr. POAGE. (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. POAGE) is recognized.

Mr. POAGE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I want first to express my thanks to the numerous Members who are present this afternoon at considerable sacrifice of their own convenience and expense.

Many of our Members are here for the purpose of passing this conference report. We deeply appreciate the interest, and I believe the American farmers and I trust the American consumers will appreciate that interest because this is a bill which we believe is essential to the welfare not only of American agriculture but it means some $10 billion to American consumers in the way of lower costs in the grocery store.

We believe that this is an essential piece of legislation and one which cannot well be long postponed; certainly I hope that it will not be the fault of this body if the matter should be postponed any further.

Mr. Speaker, yesterday we printed in the RECORD, on page H9963 and succeeding pages, the entire report, so that those who want to understand exactly what is involved here have had the opportunity and will continue to have the opportunity to read all of the changes.

I do not think that the membership of the House cares to engage in a long discussion of the details of this report. May I merely say that the conferees on the part of the House feel that we were reasonably successful in maintaining the position of the House. Certainly the basic position of the House was maintained. Certainly the basic ideas of the farm program passed by the House are still embodied in this conference report.

The only changes that were made were changes which increased the opportunities of farmers over the country to enjoy a somewhat better livelihood as a result of the legislation. But the basic legislation, founded upon the set-aside principle, is still the basis of this conference report. The idea that we would make payments only for production for domestic use is retained in this report. There will, under this report, be no payments for not growing crops. Payments will be made for production for domestic use. We believe that these are sound innovations. We believe that we have a bill that will maintain farm income, that will tend to hold the cost of living somewhere down lower than if we did not have the bill. We believe we have a bill which is essential to all parts of America.

Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma (Mr. BELCHER) whose cooperation has been so vital in securing both the passage of the bill and the agreement on the conference report.

(Mr. BELCHER asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Speaker, and Members of the House, I do not believe that any conference has ever been held between the House and the Senate in which the House has prevailed as much as we did on this particular bill. This bill, when it passed through the House, had stronger backing than any farm bill that has ever gone through here in the 20 years I have been here. It was supported by the chairman of the committee, the ranking member of the committee, the majority leadership, the minority leadership, the President of the United States, the Secretary of Agriculture, and the Bureau of the Budget. No bill has ever gone through this House since I have been here that had that much support.

I have in my hand a letter from the President of the United States. It states as follows:

THE WHITE HOUSE,
Washington, D.C., October 8, 1970.

Hon. PAGE BELCHER,
House of Representatives,
Washington, D.C.

DEAR PAGE: I appreciate the fine work that you and your colleagues have done in bringing the farm bill through the Conference Committee.

As I indicated in my earlier letter to you, I considered the farm bill reported by the House Committee on Agriculture good legislation. I expressed the hope that it would be enacted promptly and with minimum change. Although the bill proposed by the Conference Committee does make a number of changes, I believe it is the best compromise that could have been attained under the circumstances and one that this Administration can accept.

The scope and significance of this farm bill indicate that it is truly a team effort, and I congratulate you and the other conferees on the contributions you have made.

Sincerely,

RICHARD NIXON.

I also have in my hand a statement from Secretary Hardin on the conference report on the farm bill which completely supports the conference report. Mr. Speaker, I ask unanimous consent that it be printed at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The statement is as follows:

STATEMENT BY SECRETARY HARDIN ON FARM BILL CONFERENCE REPORT

I am extremely pleased that the House and Senate conference committee has been able to agree on the provisions for a new 3-year farm bill.

The President has indicated that the proposed bill is acceptable to the administration. I am optimistic that it will enhance the economic position of farmers in the years ahead. It goes a long way toward meeting the four basic agricultural goals of the administration: (1) To protect and improve farm income; (2) To provide more flexiblity for farmers in making their own farm operating decisions; (3) To develop greater reliance on the marketplace, enabling producers to become less dependent on Government programs; and (4) To balance our supply of agricultural products with the demands of the marketplace and consumer.

The new bill represents an extraordinary amount of effort by a great many people interested in the future of our agriculture. It also represents compromises on the part of the conferees and all committee members, as well as the administration. Farm organizations, listening conferences, producer and trade meetings, and months of conferences with members of Congress have all made their contribution and had their influence.

I congratulate the committee on a very fine effort.

I should add that early action by the House and Senate is urgently needed so that farmers can finalize their 1971 planting plans. Some of the crops to be harvested in 1971 are already in the ground, and others are fast approaching planting time. I hope that the conference committee bill can shortly be presented for approval in both Houses of Congress.

Mr. BELCHER. Mr. Speaker, I believe this is good legislation. I say that, and Members know I represent an urban area. There are very few farmers in my district, if any, who will receive any part of the benefits from this program. However, I feel that at this time to fail to pass a farm bill could bring on a depression, and when we bring on a depression, not only the farmers suffer, but also the people in the urban areas suffer. I represent a very highly industrial area and therefore I feel that, even though I have no personal interest as far as the farmers I represent, it is completely essential to the economy of this country to be able to retain a $50 or $60 billion farm market. Without this legislation I believe this farm market would gradually disappear. Any time it disappears, then the people in the cities are going to be hurt just as much as the people in the country.

In addition to that, the farm programs help the consumers as much as they help the farmers themselves, if not more. For that reason I represent a great many consumers and I feel completely justified in supporting this bill.

Mr. Speaker, I hope the conference report will be approved.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Mr. Speaker, as one who has served on this committee for approximately 26 years and who has seen many bills come and go through the committee, I would like to say I have never seen the leadership in our committee do a better job than they have done on this particular measure. The gentleman in the well of the House, the gentleman from Oklahoma (Mr. BELCHER), the ranking Republican member of the committee, and the gentleman from Texas (Mr. POAGE), our highly regarded and respected chairman, have worked in a cooperative manner over a period of 18 months to bring this bill to the floor of this House.

We have had some disagreements, but they have all been resolved. I do not believe I ever have seen a better job done than has been done by the chairman and the gentleman from Oklahoma. On behalf of my farmers and the people of my State and agriculture in general I want to express to both gentlemen my thanks and extend to them my compliments.

Mr. BELCHER. Mr. Speaker, I want to say to the gentleman from Mississippi, who was chairman of the Cotton Subcommittee, that I believe the President stated it well when he said this farm bill is an expression of teamwork. There has been teamwork not only in the administration and the Department of Agriculture and the Bureau of the Budget, but also among all members of the full committee and the chairmen of the subcommittees, as well as the leadership on both sides of the House.

Mr. KLEPPE. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from North Dakota.

(Mr. KLEPPE asked and was given permission to revise and extend his remarks.)

Mr. KLEPPE. Mr. Speaker, the provisions of the conference report on the Agricultural Act of 1970 are not all that many of us would like to have seen, including myself, but certainly they are a great deal better than nothing at all, and a lot better than reverting back to the old, permanent legislation of the 1930's as amended through the years.

Further delays in the enactment of the bill will cause American farmers added inconvenience and loss. It is already very late in the season for many farmers to finalize their production plans for 1971. Some of the crops to be harvested in 1971 are already in the ground, and others are fast approaching planting time. Delaying action as now proposed by the Senate will hit hard at wheat producers and, at the same time, work a hardship on feed grain producers.

Based on the latest figures furnished to me by the U.S. Department of Agriculture, under the Agricultural Act of 1970, the gross wheat income for North Dakota is estimated to be $453 million; under the old legislation, and if the farmers approve the wheat referendum, gross wheat income would be approximately $356 million. And, under the old, permanent legislation, with the farmers voting "no" on the referendum, gross wheat income would only reach $279 million. At best, North Dakota farmers would lose $97 million; at worst, they would lose $174 million, if the Agricultural Act of 1970 is not approved by both Houses of Congress within the next few days.

Nationally, the figures are even more alarming. If this legislation is not passed, we revert to the old law, and with the farmers voting "no" on the wheat referendum, the resultant gross income for U.S. wheat producers would be nearly $2 billion. Wheat certificates under this alternative would be zero.

The estimated gross farm income under the set-aside program for 1971 is approximately $2.8 billion, including wheat certificates valued at $824 million.

The loss to American farmers, using the figures I have just referred to, amounts to $961 million.

If farmers would approve the wheat referendum under the old legislation, gross farm income for 1971 can be estimated at nearly $2.2 billion—a loss of $600 million.

Turning to the feed grain section of the Agricultural Act of 1970, under the set-aside program, we estimate the gross income to feed grain producers to be approximately $8.5 billion. Assuming that the bill before us today does not pass both Houses before the recess, and with farmers reverting to the old act, the estimates on gross returns to feed grain farmers in 1971 ranges between $6.9 and $7 billion. Here we have an estimated loss ranging from $1.5 billion to $1.6 billion.

I urge my colleagues to join me in voting for final passage of the Agricultural Act of 1970. I do this because I feel this legislation is considerably better than nothing at all, and because I would not want the Members of this body to be responsible for the added inconvenience and loss that will be experienced by this Nation's farmers if this bill does not become law shortly.

Our national prosperity is directly linked with our farm prosperity. Without a sound agricultural economy we are not going to have a sound total economy. The assistance we provide in the Agricultural Act of 1970 will be repaid many times over to American taxpayers and consum-

ers. This bill represents the best bill possible at this time, even though it is not the best possible bill.

Mr. MAYNE. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Speaker, I thank the gentleman for yielding and rise in support of the conference report. I commend the gentleman from Oklahoma (Mr. BELCHER), ranking minority member, and the distinguished chairman of the Agriculture Committee (Mr. POAGE) for their leadership in working in conference to obtain agreement on this bill which is a reasonable compromise of widely varying views.

Fortunately for the farmers of this country the conference committee did not follow the lead of those who said they preferred to have no farm program at all when their own particular version of the farm bill failed to muster the necessary support. Such an attitude was completely irresponsible and was in effect playing Russian roulette with the economic well-being of the American farmer.

While the bill we are voting on today is not perfect, it is an improvement over the expiring 1965 act in that it combines higher price supports with greater flexiblity and freedom of choice for the individual farmer. It is accompanied by a firm commitment from the administration to maintain total commodity payments at not less than present levels for the next 3 years. Let there be no misunderstanding about it, the alternative to our accepting this bill today is to pass no farm bill at all in the 91st Congress and to see all commodity programs expire at the end of the year.

Like all reasonable compromises, the bill falls short of the maximum goals of most Members representing agriculture districts including myself. But I would remind my colleagues that this bill is infinitely better than no bill at all which is the only practical alternative facing us today. I therefore speak in favor of the bill as approved in conference and urge my colleagues to vote "no" against the motion to recommit and "aye" on final passage.

(Mr. MAYNE asked and was given permission to revise and extend his remarks.)

Mr. ZWACH. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Minnesota.

(Mr. ZWACH asked and was given permission to revise and extend his remarks.)

Mr. ZWACH. Mr. Speaker, over the past 2 years, I have worked hundreds of hours in subcommittee, in committee, on the floor of the House, with Members of the Senate and with the Senate-House Conference Committee to get a workable and improved farm bill.

I, like many others, am disappointed in some features of the new bill which I know should be strengthened and improved.

I am pleased that the conference report retained the parity principle for feed grains which I worked so hard to get adopted. However, this came out at 70 percent instead of the 77 percent I had recommended.

The Zwach dairy amendment which guarantees competitive access by dairy producers to Class I base plan markets throughout the Nation was retained.

A floor under the loan for corn was set at $1. This, too, was lower than the figure which I supported.

A ceiling on payments was retained at $55,000. I supported a lower figure than $55,000, but at least in this area we are headed in the right direction.

Another improvement in the conference bill was the inclusion of a rural development title to more nearly balance rural-urban Federal planning and assistance.

An additional set-aside and public access payment for recreational purposes was established and this is especially important in our State of Minnesota.

Barley was added to the feed grain program.

The Secretary of Agriculture was authorized to make indemnity payments to dairy producers and processors and to beekeepers for losses suffered, through no fault of their own from pesticides and herbicides.

Mr. Speaker, most certainly I would have liked a better farm bill, but reality dictates that a better one could not have been obtained in this session of Congress, so I heartily support the conference report.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I would like to take this opportunity to compliment the gentleman from Oklahoma. I have received many calls today with regard to what the parliamentary situation would be on the limitation of payments. I would like to have this colloquy with the gentleman. The House passed a $55,000 limitation. Many on this side of the aisle, including myself, and on the other side of the aisle were disappointed that we did not get our way, that is a $20,000 payment limitation, together with restrictive language. The Senate accepted the $55,000 limitation. That is where it stands, both the House and Senate having accepted the $55,000 limitation nothing further can be done in regards to payment limitations in this bill.

Mr. BELCHER. Yes.

Mr. Speaker, I thank the gentleman from Massachusetts for his cooperation on this bill.

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentlewoman from Washington.

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Speaker, I will be brief. It has been said that a true compromise agreement can be identified by one single characteristic—that no one can be found who is happy with it. If this is true, Mr. Speaker, then I think the farm bill very definitely fits into this category.

But, even though many of us will agree that this is not the farm bill we would prefer, or would draft if it were left completely to us, I hope and trust we can all agree on the importance and the necessity of approving it as it is—as the conference committee agreed on it. No farm legislation is ever perfect or ideal, and this bill is no exception. But it is the best bill that can be produced at this time, under these circumstances, and I say this as a member of the Agriculture Committee and of the conference committee where we spent mornings and afternoons for most of 3 weeks trying to resolve the differences between the two bills.

Farm legislation is already months overdue, and any further delays can only cause further hardships to producers—such as the wheatgrowers of the Pacific Northwest who have already planted—and, delay in all likelihood, would result in a less satisfactory bill for U.S. farmers.

In my estimation, this is a better bill than that reported by our House Agriculture Committee and passed by this House several weeks ago. A number of improvements have been added in the conference committee which will make this legislation more effective for farmers. We need a bill, Mr. Speaker, and we need it now, so I urge my colleagues in the House to support the report of the conference committee.

Mr. McCLURE. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Idaho.

(Mr. McCLURE asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. McCLURE. Mr. Speaker, the House is about to take final action on the farm bill, and once again I want to emphasize that this is not just a bill to help a few rich farmers. Every citizen of this country has a very important interest in this legislation, and every single Congressman must be aware that the bill affects his constituents—not in the insistent demand for lower prices for food or to keep the cost of living down, but in recognition of the fact that the farmer is in trouble. The long-range best interests of every Congressman and of the people he represents can be served only by maintaining a healthy agricultural economy. To do otherwise would be tragically shortsighted. Because it is stated so well, and because it is so pertinent to our present deliberations, I include at this point an editorial which appeared in the Idaho Statesman of Sunday, June 21, 1970:

FARMING: IDAHO'S "SICK INDUSTRY"

Farming is described as a "sick industry," both in Idaho and in the nation, by an Idaho State University economics professor.

Some city people may be skeptical about complaints from farmers about their plight. Here is an appraisal by an academic authority based on economic studies of the farm situation.

Prof. Cornelius Hofman made his comments in testimony before the Public Utilities Commission on a proposed power rate increase. He said it would hurt pump irrigators.

Aside from the power rate question, his facts and figures are interesting for what they say about farming. Agriculture is Idaho's most important industry. If farmers are in trouble, other people are in trouble, too.

Prof. Hofman cited a study indicating that a Cassia County farmer, pumping from 375 feet on 200 acres, can afford to pump if (1) his land cost is no more than $400 an acre (2) he accepts a 5 per cent return on capital (3) he accepts an 8 per cent return on operating capital (4) wages for his labor of $1.50 an hour and (5) no return for his management.

If you consider that $1.50 is a poverty level wage, that 5 per cent can be earned on ordinary savings accounts and that the farmer could be paying 8 per cent or more to borrow operating capital, the picture isn't very bright.

Since many farmers are paying high interest costs on land and equipment, even these figures don't tell the full story. Prof. Hofman feels a rate increase would have dire effect on the state's economy, and possibly on agricultural expansion.

This is only part of the testimony to be considered by the PUC. It deals with only one aspect of the farmer's economic situation.

Whatever its significance in the power rate case, however, it should tell the public that farmers who complain about thin operating margins aren't crying wolf.

These figures on pump irrigation may help explain the tremendous migration of people from rural areas as revealed in the preliminary 1970 census figures. Rising costs are "plowing up" some of Idaho's farmers.

Mr. MIZELL. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I am happy to yield to the gentleman from North Carolina.

(Mr. MIZELL asked and was given permission to revise and extend his remarks.)

Mr. MIZELL. Mr. Speaker, I rise today to commend the conferees who have reported to this body the Agriculture Adjustment Act of 1970. For those of us who have worked on the farm bill since its beginnings more than 18 months ago, it is indeed gratifying to see the legislation before the House today in its final form.

We see before us today the product of many long and fruitful discussions involving the two bodies of Congress, the Department of Agriculture, the Agriculture Committee, and countless periferal industries and interested parties.

Compromises have been made on every side in an effort to produce legislation which will truly benefit the farmer, as well as all American consumers.

This is a good bill—one which will provide farmers with the benefits of a solid farm program, while aiming at a gradual phaseout of dependence on the Federal Government and a return to market-based prices. I believe this goal has been reached in the Agriculture Adjustment Act of 1970—a delicate balance of many divergent views.

The American family has been blessed with the privilege of spending less of its income on food on a proportionate basis than any other family in the world. I feel confident that the legislation we have before us today will serve as a vital base for maintaining this distinction, as well as providing our farmers with a solid farm program with which they can continue to provide us with the finest commodities produced anywhere.

Mr. POAGE. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I thank the distinguished chairman for yielding.

Mr. Speaker, the other body today amended the equal rights for women bill to include an amendment for voluntary prayer in schools. I wish to commend the other body on its action and trust that this House in its wisdom will do likewise. This action really reflects the will of the people of the United States and the majority of this House.

I thank the distinguished gentleman for yielding.

Mr. MIZE. Mr. Speaker, I urge all Members to support the 1970 farm bill when it comes before the House today for final pssage. Congress should approve this legislation promptly, for the Department of Agriculture must have adequate time to issue regulations and distribute information to farmers on programs for the 1971 crop year.

Every Member, urban or rural, should cast his vote in favor of the Agriculture Act of 1970. This bill reflects an honest effort to provide wholesome food to consumers at reasonable prices, bolster the rural economy, maintain farm income, control surpluses, and provide farmers with increased flexibility in managing their own farms. These have been the goals of the Agriculture Committee and the administration—made especially difficult to achieve by intense competition for a larger share of the taxpayer's dollar.

FARM BILL IMPROVED IN CONFERENCE

The legislation before us is a compromise between the House and Senate passed versions of the Agriculture Act. More responsive to the needs of agriculture and rural America than either of the original bills, this act should provide a foundation for agricultural prosperity in the decade of the 1970's and beyond.

Those of us from agricultural districts have worked for greater income protection than was contained in the original House bill. Fortunately, the conference committee has approved several important Senate amendments designed to protect the farmer's income, while retaining provisions of the House bill which guarantee farmers greater "freedom of choice" in farm management.

Those prophets of doom who believed the urban-oriented Congress would abandon agriculture in this critical period of transition have been proved wrong again.

The final version of the Agriculture Act does not contain all the income protection and farmer-flexibility that I would have preferred, had I been drafting an ideal farm program in an ivory tower. I have been a farmer and rancher. I have lived my life in a farming area, and have represented thousands of farmers in Congress for 6 years. I know farmers do not get fair return for their massive investment, highly developed skills, and long hours of work performed. But when responsible legislators are demanding minimum Federal spending to fight inflation, and kept taxes as low as possible—farm programs as well as urban programs must be drafted with realistic limitations in mind.

The members of the conference committee are to be congratulated for presenting an act which will meet the requirements of agriculture in these difficult times, and also have a reasonable chance of passing the House of Representatives where 70 percent of the Members are from metropolitan areas.

PAYMENT LIMITATION

Since the Agriculture Act of 1970 is an extremely complex and comprehensive bill, covering a variety of commodities and agriculture-related programs, I believe it would be helpful to discuss some of the more important provisions prior to the final rollcall vote.

This bill, for the first time, established a realistic limitation on payments to producers of cotton, wheat, and feed grains. Many large farming organizations have been harvesting literally millions in Federal payments for producing these commodities. Farm payments were designed in the first instance to protect the family farmer's income, not the profits of major corporate competitors.

The largest farming corporations have an advantage in the economies of scale, and therefore do not require payments so essential to family producers. Accordingly, an annual ceiling on farm payments of $55,000 per crop has been established by the Agriculture Act of 1970. This provision deserves the strongest possible support from Members who share the view that the family farm is an American tradition and part of our finest heritage.

DAIRY PROGRAM IS EXTENDED

This legislation amends and extends the authority for the dairyman's class I base plan in Federal milk market order areas, and provides that any area coming into the program during the next 3 years could continue to have it in effect through December 31, 1976. The Secretary's authority to donate dairy products owned by the CCC to the Armed Services and Veterans' Hospitals is continued, while authority to make indemnity payments to dairy farmers and processors who suffer loss from pesticide contamination is extended.

WHEAT PROGRAM IS IMPROVED

The new wheat program is of extreme importance to my constituents in Kansas, as well as farmers throughout the Midwest and Northwest. This legislation before the House today guarantees wheat farmers 100 percent of parity on all domestic wheat—currently $2.83 per bushel. Annual domestic consumption should average 530 million bushels in the years ahead.

On wheat produced for export, the bill guarantees farmers at least $1.25 per bushel by establishing a minimum loan at that level. Should export markets continue to expand, of course, the cash price received by farmers could be significantly higher than $1.25 throughout most of the year. As in the past, farmers must depend upon aggressive promotion of U.S. wheat sales abroad to maintain a strong cash price at the elevator. I am pleased with the success this administration has had in developing overseas markets for commodities and have been assured by Secretary Hardin and Assistant Secretary Palmby that every effort will be

made to keep American wheat competitive and to expand sales even further.

The wheat program for crop years 1971–73 will inaugurate the administration's "set-aside" proposal. Set-aside for the 1971 wheat program will be 13.3 million acres—about equivalent to the mandatory diverted acreage for 1970. The set-aside for 1972 and 1973 may not exceed 15 million acres. After subtracting his conserving base, plus about 30 percent of his 1970 wheat allotment—an amount to be promulgated by USDA—the farmer will be allowed to plant whatever he chooses on his remaining cropland acres.

Thus, rigid wheat allotments have been eliminated in a step toward greater flexibility in farm management.

Wheat farmers may continue to substitute wheat for feed grains, and preliminary payments will be advanced to producers as soon as possible after July 1 of each year, in an amount estimated by the Secretary to be 75 percent of the value of the domestic certificate.

FEED GRAINS

The "set-aside" for feed grains, as with wheat, will be approximately equal to the mandatory diverted acreage under last year's program.

Payments may not dip below 32 cents per bushel for corn, with corresponding rates for grain sorghum and barley. Preliminary payments will be made to feed grains farmers as soon as possible after July 1 of each year. These preliminary payments will be in the amount of 32 cents per bushel. If the difference between the average market price and $1.35 per bushel for corn is more than 32 cents during the first 5 months of the marketing year, an additional payment will be made. In no event will refunds be required from farmers—should the average price actually received—plus payments—exceed $1.35 for corn, or a corresponding rate for other feed grains.

PUBLIC LAW 480

Compassionate Americans who have an appreciation of the aspirations and needs of developing nations will be gratified that this legislation extends those provisions of "Food for Peace" which authorize donations, and long-term dollar credit and foreign currency sales of U.S. farm commodities overseas.

Since this humanitarian program was initiated under President Eisenhower, over $17 billion in American agricultural commodities have been shipped to the needy overseas under its terms. Literally millions have been spared from starvation and malnutrition under its authority. With this extension of Public Law 480, the Congress has wisely decided to continue Government sales and donations of food to promote peace and stability, and to relieve suffering throughout the underdeveloped world.

OTHER PROVISIONS

The Agriculture Act of 1970 also initiates an experimental program of long-term land retirement specifically designed to help older farmers. Should an older farmer desire to retire from active farming, but continue to live on the land, this program would permit him to enter into a contract with the Government to retire his land from production for a fair annual payment. Authorized at a level of $10 million annually, the pilot program will give Congress the information it needs to analyze carefully various long-term land retirement programs that have been proposed in recent months. Should older farmers welcome this retirement program, perhaps the Congress could consider an expansion of its benefits in 1972 or 1973.

Finally, title IX of the Agriculture Act of 1970, sponsored by Senator BOB DOLE of Kansas, for the first time commits Congress to a sound program of rural-urban balance. Title IX provides for various annual reports on planning assistance, technical assistance, Government services, and utilities, and financial assistance to rural America. The title will require the Federal Government to locate new offices and facilities, insofar as practicable, in communities of lower population density.

This final title could well become the most far-reaching and significant provision in the entire package. Certainly those of us from rural America know the "long-term answer" to relief for our troubled economy is greater economic diversification and industrial expansion in rural regions.

With the commitment of title IX as "National Policy," perhaps Congress can proceed to consider a broad range of proposals designed to expand the tax base and improve opportunity in the less populated regions of the Nation.

I urge all my Colleagues to support the Agriculture Act of 1970. Rural America, no less than urban America, requires a commitment from Congress to improve human opportunity and assure an atmosphere conducive to economic development and farm prosperity in the years ahead.

Mr. OBEY. Mr. Speaker, this bill is a far cry from the kind of bill that we should be able to vote on today.

What is wrong with it was spelled out clearly in the first House debate on it by people like Mr. MELCHER and Mr. ZWACH, and many others. It had been my hope that in conference the bill could be strengthened and improved. That has happened to a small degree and because of that, it is with great reluctance that I vote for this bill today.

I vote for it not because I think it is a good bill, but rather because the one area of the bill that is fairly satisfactory is the dairy section and I represent dairy farmers to a very great degree.

I am gratified, however, that the conference substitute presented to us today, with all its obvious shortcomings, will at least include manufacturers of dairy products under the indemnity program now available to dairy farmers who are ordered to remove their milk from the market because it contains pesticide residues.

Established in 1964, the indemnity program authorizes the Secretary of Agriculture to make such payments at fair market value to farmers whose milk, through no fault of theirs, was contaminated by and condemned because of the presence of residues of DDT or other chemicals. It has saved numerous dairy farmers from bankruptcy in the past few years.

Now, by including the words "and manufacturers of dairy products," the conference substitute should make possible such indemnity payments to manufacturers whose cheese or butter have to be removed from the market because of pesticide residues. Thus, the indemnity program can be a useful safety valve for manufacturers throughout the country, for if the worst happened, and contaminated milk were used in the making of cheese or butter, these products could be removed from the market and the manufacturer would suffer a tremendous economic loss.

Mr. Speaker, last year eight members of the Wisconsin delegation and one each from Minnesota and Montana joined me in sponsoring a bill to extend the indemnity payments program to dairy manufacturers. I am pleased to note that the conference substitute achieves our purpose.

Mr. MACGREGOR. Mr. Speaker, I rise in support of the conference report to the Agricultural Act of 1970. I, like many others, am somewhat disappointed in some features of the new bill, but I also know that the members of the House Agriculture Committee have worked persistently over the last 2 years to obtain the best farm bill possible at this time.

While I favored a lower payments ceiling, the $55,000 limit passed by the House and the Senate is the first positive move in the right direction.

An important feature of the conference report is that it provides for parity of feed grains at 70 percent. My good friend and colleague, JOHN ZWACH, offered an amendment in the House to the feed grains section of the bill for 77 percent of parity. I was disappointed when the House defeated this amendment, which I supported. However, the Senate later adopted a 75 percent of parity provision for feed grains, and the conferees compromised at 70 percent.

Another key feature of the conference report is the retention of the "Zwach Dairy Amendment" to guarantee competitive access to Minnesota dairy farmers to class I base plan markets throughout the Nation.

An important provision of the conference bill for rural Minnesota was the inclusion of a rural development title which more nearly balances Federal help in rural planning with urban planning. Previously, Federal planning has emphasized urban planning at the expense of rural planning. Economic and population distribution problems require sound rural planning in conjunction with urban planning.

The final bill also makes provision for additional set-aside and public access payment for recreational purposes, which is particularly beneficial for many Minnesota farmers.

The Secretary of Agriculture has been authorized to make indemnity payments to dairy producers and processors, and to beekeepers for losses suffered from pesticides and herbicides.

I have found these and other provisions of the bill sufficiently helpful to

the farmer to give the conference report my full support.

Mr. PICKLE. Mr. Speaker, tomorrow the full impact of the conference action on the agriculture bill will begin to sink in. Tomorrow, we will begin to get the predictable mixed comment, the reaction from our constituents.

Already, I have been advised that many people in my district—both urban and rural—would like to see more in this legislation. Or less, even. I can agree that this agricultural bill is not perfect. For example, one troublesome spot for me is the section which gives the Secretary of Agriculture additional powers—however, time will judge this provision.

But, Mr. Speaker, I can say that the full Agriculture Committee, the subcommittee and the conferees did inded devote their full energies to this bill; this bill which will prove to be one of the most important from the 90th Congress. For more than 2 years, we have witnessed the give and take of compromise as the committee worked with the administration. Then, we noted that the conferees spent nearly a full month in an effort to reach some concensus legislation which not only would be the most acceptable—but the most passable.

This bill does present us some changes, however the amount of Government assistance will remain at about the same level. I am not as happy with this bill as I would be if I could have been the author. But I am proud of the way the Agriculture Committee stayed with the job and gave us a workable farm bill that we can live with.

Mr. FINDLEY. Mr. Speaker, while I did not support the House version of the farm bill and do not feel the conference report represents the type advance my farmer constituents want and deserve, I nevertheless welcome this opportunity to compliment the House conferees on sustaining the House position. In fighting off virtually every attempted change emanating from the Senate, they saved the taxpayers a lot of money and kept bad legislation from getting decidedly worse.

Chairman POAGE and Representative BELCHER, who headed House conferees, negotiated effectively and resolutely. Senate provisions for cotton would have added annual costs of about $200 million to a program that is already scandalous in terms of cost.

My principal regret concerning the bill in its final form is that it represents no significant advance from where we stand agriculturally to what must be our goal for the future: an agriculture that derives its full crop income from the marketplace and its direction at to what commodities to plant from the consumers.

Mr. RANDALL. Mr. Speaker, I will vote for House Resolution 18546 with strong doubts as to whether it will improve farm income.

Each Member has within his congressional district farmers of different types devoting their energies to the production of different agricultural products. For some it is cotton, for others there will be wheat, for some wool, and others dairy. Any comment I may make is concerned with the provisions for feed grains. In our district there is only a small amount of wheat, no cotton, little wool, some dairy, but a lot of feed grains.

At first blush, the provisions of the feed grains program appear to be acceptable and even attractive, in that it appears there are price support payments to participating farmers on one-half of their feed grain base, in the amount of the difference between the figure of $1.35 per bushel or 70 percent of the parity price for corn, and the average market price for the first 5 months of the marketing year. There is the provision that these payments will be no less than 32 cents per bushel for corn, with corresponding rates for grain, sorghum, and barley.

It is my understanding the final provisions of the conference report constitute a compromise between conferees favoring 68 percent of parity and those favoring 70 percent or more. Actually, the facts are the Senate provided for 75 percent of parity, and those of us who have a real and sincere concern for the income of the farmer applauded that stand. It was our hope that the conferees would agree to at least 75 percent of parity.

Repeating, let me suggest again that the provisions of the new bill as they apply to feed grains look pretty good on paper, and sound pretty good when talked about, but the important question is, are they really that good and do they really bolster farm income as much as the proponents of this bill would argue?

It is not my conclusion alone, but the conclusion of the leaders of some of our largest farm organizations, that the answer is "No" and in fact when compared to the legislation which will soon expire, the condition of some of our small feed grain farmers will actually be worse instead of better.

It is appropriate to ask the question—why under the circumstances outlined above, could a Member who has the interest of the farmer at heart support the conference report on House Resolution 18546?

The answer is, this farm bill is better than no farm bill at all. Then we must answer the query—Why can't we do better? The plain, unvarnished truth is that the rural population of the agricultural areas has declined year by year to where the proponents of farm legislation just do not have the votes to pass a strong farm bill.

Moreover, the administration through its Secretary of Agriculture and through the Bureau of the Budget, sent the word to our Agriculture Committee and the committee of the other body that the administration would veto any kind of farm bill that was more expensive than a preagreed cost in terms of dollars, and even sent the word that the President would veto a farm bill which provided for advance payments.

It would seem that this threat of a veto actually amounts to an affirmation or perhaps the correct terminology is a reaffirmation of the old Benson philosophy of low farm prices. It expresses a determination on the part of the administration to keep farm prices low, in order to buoy exports and thus serve as a partial solution to the balance-of-payments problem, without any regard for the level of income of the American farmer.

It is significant to note at this time, as we vote upon the conference report, that always in the past the Secretary of Agriculture has sent up a farm bill to Capitol Hill. Neither in 1969 nor in 1970 has this happened. It was not until October of 1969 that there was even a suggestion from Secretary Hardin. Even he agreed that such a suggestion should not be regarded as a proposal. The facts of the matter are that our Agriculture Committee and the committee of the other body had to start from scratch to piece together a bill as best they could, without any proposal or help of any kind from the Secretary or anyone else in the administration. On the other hand, after our committee commenced its work on a farm bill, the Bureau of the Budget was the first to object to its expected cost, and Mr. Hardin repeated again and again that provisions for the benefit of our farmers had to be pared down or else there would be an inevitable veto. It would seem that all of those in the executive branch set as a controlling guideline, not the level of income of the farmer, but the effect that the farm bill would have on the budget. This kind of an approach is as bad as the Benson farm program, because it perpetuates low farm prices.

Those who would attempt during this political season, exactly 3 weeks away from election day, to cast blame on a Democratic Congress for the failure to pass a farm bill which would improve the lot of the farmer rather than leaving him where he is or even in a worse condition, should remember well the repeated threats of the executive veto as transmitted to the Congress by the Secretary, by the Bureau of the Budget, and others. The fact that the majority party in the Congress has barely enough votes to pass a farm bill is not the point. The real point is that rather than having the votes to fight for a strong bill, the majority must accept what would otherwise be an unacceptable bill, in recognition of the reality that it takes two-thirds of the Congress to override a Presidential veto. It becomes, then, not a matter of optimism or even pessimism, but a question of reality in the recognition that the minority party in the Congress would easily regiment all of their Members to sustain a veto and there would be no way whatsoever to hope to have enough support on the floor of either body of the Congress to override a Presidential veto.

Well, to repeat, House Resolution 18546 is better than no bill at all. I hope there are some safeguards in the so-called set-aside program to avoid the death of those small rural towns that would be surrounded by vast acreages in the set-aside program. Let us hope there are enough safeguards to keep alive most of our small farm communities.

Finally, it is most regrettable that those in the Congress who have befriended the family farmer over the years must now reconcile ourselves to accepting a bill that

is barely better than no bill at all. As we look back, we realize now that we should have expected something about like this to happen. The reason is that our present Chief Executive in none of his public pronouncements has expressed any concern about the level of income of the American farmer. Nowhere in our President's inaugural address was there time for the farmer. In the state of the Union message there was no time given to discussing the problems of the farmer. Not even in the so-called state of the economy message of the President was there a statement about the economic plight of our farmers. After such nonhappenings, it would not be an unreasonable conclusion to wonder whether the present administration entertains a genuine concern for the economic welfare of our American farmers.

Mr. POAGE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. TEAGUE OF CALIFORNIA

Mr. TEAGUE of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. TEAGUE of California. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TEAGUE of California moves to recommit the conference report on the bill (H.R. 18546) to the committee of conference.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KOCH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 191, nays 145, answered "present" 1, not voting 92, as follows:

[Roll No. 341]

YEAS—191

Abbitt	Blatnik	Carter
Abernethy	Boggs	Cederberg
Addabbo	Boland	Chamberlain
Albert	Bow	Clausen,
Alexander	Brasco	Don H.
Anderson, Ill.	Brinkley	Colmer
Anderson,	Brotzman	Culver
Tenn.	Brown, Ohio	Cunningham
Andrews, Ala.	Broyhill, N.C.	Daniel, Va.
Andrews,	Buchanan	Davis, Wis.
N. Dak.	Burke, Mass.	de la Garza
Annunzio	Burleson, Tex.	Denney
Arends	Burlison, Mo.	Dickinson
Belcher	Burton, Calif.	Dingell
Betts	Byrnes, Wis.	Donohue
Bevill	Caffery	Dorn
Blackburn	Camp	Downing
Dulski	Landrum	Reid, Ill.
Duncan	Langen	Riegle
Eckhardt	Latta	Rivers
Edwards, Ala.	Lennon	Rogers, Colo.
Edwards, La.	Long, La.	Rogers, Fla.
Esch	McClory	Rooney, N.Y.
Evins, Tenn.	McClure	Rostenkowski
Feighan	McFall	Ruth
Flowers	McMillan	Schadeberg
Flynt	Mahon	Scherle
Foley	Mann	Schwengel
Ford, Gerald R.	Mathias	Sebelius
Foreman	Matsunaga	Shriver
Fountain	May	Sisk
Frelinghuysen	Mayne	Skubitz
Friedel	Meeds	Smith, Iowa
Fuqua	Melcher	Springer
Galifianakis	Miller, Calif.	Stanton
Garmatz	Miller, Ohio	Steed
Gettys	Mink	Steiger, Ariz.
Gonzalez	Mize	Steiger, Wis.
Griffin	Mizell	Stephens
Hagan	Mollohan	Stubblefield
Hall	Montgomery	Stuckey
Hamilton	Moorhead	Sullivan
Hammer-	Moss	Symington
schmidt	Murphy, Ill.	Taylor
Hansen, Idaho	Myers	Teague, Tex.
Harsha	Natcher	Thompson, Ga.
Hathaway	Nelsen	Thomson, Wis.
Hays	Obey	Udall
Henderson	O'Neill, Mass.	Ullman
Holifield	Passman	Vigorito
Hull	Patten	Waggonner
Hungate	Pepper	Wampler
Hutchinson	Perkins	Watson
Ichord	Pickle	Watts
Jarman	Poage	White
Johnson, Calif.	Podell	Whitehurst
Jonas	Poff	Whitten
Jones, Ala.	Pollock	Wilson, Bob
Jones, N.C.	Preyer, N.C.	Wilson,
Jones, Tenn.	Price, Tex.	Charles H.
Kastenmeier	Pryor, Ark.	Winn
Kazen	Purcell	Wylie
Kleppe	Quie	Young
Kluczynski	Quillen	Zwach
Kuykendall	Randall	
Kyl	Rees	

NAYS—145

Adams	Gallagher	Pettis
Anderson,	Gaydos	Pike
Calif.	Giaimo	Pirnie
Ashbrook	Gibbons	Price, Ill.
Ashley	Goodling	Pucinski
Ayres	Gray	Railsback
Baring	Green, Oreg.	Rarick
Barrett	Green, Pa.	Reid, N.Y.
Bell, Calif.	Grover	Reuss
Bennett	Gubser	Rodino
Biester	Gude	Roe
Bingham	Halpern	Rooney, Pa.
Brademas	Hanley	Roth
Bray	Harrington	Roybal
Broomfield	Hastings	Ryan
Brown, Calif.	Hawkins	St Germain
Brown, Mich.	Hechler, W. Va.	Sandman
Broyhill, Va.	Helstoski	Satterfield
Byrne, Pa.	Hicks	Saylor
Carey	Hogan	Scheuer
Chappell	Hosmer	Schmitz
Chisholm	Howard	Schneebeli
Clawson, Del	Jacobs	Scott
Clay	Johnson, Pa.	Shipley
Cleveland	Karth	Slack
Cohelan	Keith	Smith, Calif.
Collier	Koch	Smith, N.Y.
Conable	Kyros	Stafford
Conte	Landgrebe	Staggers
Corbett	Long, Md.	Stokes
Coughlin	McCarthy	Teague, Calif.
Crane	McCulloch	Tiernan
Daniels, N.J.	McDade	Van Deerlin
Delaney	McDonald,	Vander Jagt
Dellenback	Mich.	Vanik
Dennis	McEwen	Waldie
Dent	Macdonald,	Whalley
Derwinski	Mass.	Widnall
Devine	Madden	Wiggins
Edwards, Calif.	Martin	Williams
Eilberg	Mikva	Wolff
Erlenborn	Minish	Wyatt
Eshleman	Minshall	Wydler
Fascell	Monagan	Wyman
Findley	Morgan	Yates
Fish	Morse	Yatron
Flood	Morton	Zablocki
Fraser	Mosher	Zion
Frey	Nix	
Fulton, Pa.	O'Hara	

ANSWERED "PRESENT"—1

Rosenthal

NOT VOTING—92

Adair	Fallon	Michel
Aspinall	Farbstein	Mills
Beall, Md.	Fisher	Murphy, N.Y.
Berry	Ford,	Nedzi
Biaggi	William D.	Nichols
Blanton	Fulton, Tenn.	O'Konski
Bolling	Gilbert	Olsen
Brock	Goldwater	O'Neal, Ga.
Brooks	Griffiths	Ottinger
Burke, Fla.	Gross	Patman
Burton, Utah	Haley	Pelly
Bush	Hanna	Philbin
Button	Hansen, Wash.	Powell
Cabell	Harvey	Reifel
Casey	Hébert	Rhodes
Celler	Heckler, Mass.	Roberts
Clancy	Horton	Robison
Clark	Hunt	Roudebush
Collins	Kee	Rousselot
Conyers	King	Ruppe
Corman	Leggett	Sikes
Cowger	Lloyd	Snyder
Cramer	Lowenstein	Stratton
Daddario	Lujan	Taft
Davis, Ga.	Lukens	Talcott
Dawson	McCloskey	Thompson, N.J.
Diggs	McKneally	Tunney
Dowdy	MacGregor	Weicker
Dwyer	Mailliard	Whalen
Edmondson	Marsh	Wold
Evans, Colo.	Meskill	Wright

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Olsen for, with Mr. Rosenthal against.

Mr. Thompson of New Jersey for, with Mr. Biaggi against.

Mr. Blanton for, with Mr. Leggett against.

Mr. Nichols for, with Mr. Hanna against.

Mr. Hébert for, with Mr. Clark against.

Mr. Cabell for, with Mr. Marsh against.

Mr. Fisher for, with Mr. Farbstein against.

Mr. Brooks for, with Mr. Corman against.

Mr. Edmondson for, with Mr. William D. Ford against.

Mr. Fulton of Tennessee for, with Mr. Gilbert against.

Mr. Davis of Georgia for, with Mr. Kee against.

Mr. Roberts for, with Mr. Lowenstein against.

Mr. Sikes for, with Mr. Conyers against.

Mr. Wright for, with Mr. Adair against.

Mr. Fallon for, with Mr. Button against.

Mr. MacGregor for, with Mr. Hunt against.

Mr. Wold for, with Mr. King against.

Mr. Rhodes for, with Mr. Horton against.

Mr. Lloyd for, with Mr. Clancy against.

Mr. Lujan for, with Mr. Cowger against.

Mr. Michel for, with Mrs. Dwyer against.

Mr. Snyder for, with Mr. Goldwater against.

Mr. McKneally for, with Mrs. Heckler of Massachusetts against.

Mr. Ruppe for, with Mr. Robison against.

Mr. Bush for, with Mr. Whalen against.

Mr. Brock for, with Mr. Talcott against.

Mr. McCloskey for, with Mr. Beall of Maryland against.

Mr. Burton of Utah for, with Mr. Harvey against.

Mr. Pelly for, with Mr. Burke of Florida against.

Mr. Reifel for, with Mr. Rousselot against.

Mr. Tunney for, with Mr. Powell against.

Mr. Aspinall for, with Mr. Nedzi against.

Mr. Casey for, with Mr. Diggs against.

Mr. Celler for, with Mr. Dawson against.

Mr. Evans of Colorado for, with Mr. Ottinger against.

Until further notice:

Mrs. Griffiths with Mr. Mailliard.

Mr. O'Neal of Georgia with Mr. Berry.

Mr. Murphy of New York with Mr. O'Konski.

Mr. Mills with Mr. Gross.

Mr. Daddario with Mr. Meskill.

Mr. Davis of Georgia with Mr. Lukens.

Mr. Patman with Mr. Collins.

Mr. Haley with Mr. Cramer.

Mr. Dowdy with Mr. Roudebush.

Mr. Stratton with Mr. Taft.

Mrs. Hansen of Washington with Mr. Weicker.

Messrs. TIERNAN, BYRNE of Pennsylvania, ANDERSON of California, and RAILSBACK changed their votes from "yea" to "nay."

Mr. ROSENTHAL. Mr. Speaker, I have a live pair with the gentleman from Montana (Mr. OLSEN). If he had been present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members have 5 calendar days in which to revise and extend their remarks on the conference report just adopted.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 774. Concurrent resolution providing for an adjournment of the two Houses from October 14, 1970, to November 16, 1970; and

H. Con. Res. 778. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 17654.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 775. Concurrent resolution authorizing the Speaker of the House and the President of the Senate to sign enrolled bills and joint resolutions notwithstanding the adjournment of Congress from October 14, to November 16, 1970.

The message also announced that the Senate agrees to the amendment of the House to the amendments of the Senate to a bill of the House of the following title:

H.R. 18260. An act to authorize the U.S. Secretary of Health, Education, and Welfare to establish educational programs to encourage understanding of policies and support of activities designed to preserve and enhance environmental quality and maintain ecological balance.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2224) entitled "An act to amend the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to define the equitable standards governing relationships between investment companies and their investment advisers and principal underwriters, and for other purposes," agrees to a conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS of New Jersey, Mr. MCINTYRE, Mr. BENNETT, Mr. TOWER, and Mr. PACKWOOD to be the conferees on the part of the Senate.

PROVIDING FOR CONSIDERATION OF H.R. 19519, THE COMPREHENSIVE MANPOWER ACT

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 1252, Rept. No. 91–1602), which was referred to the House Calendar and ordered to be printed:

H. RES. 1252

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 19519) to assure an opportunity for employment to every American seeking work and to make available the education and training needed by any person to qualify for employment consistent with his highest potential and capability, and for other purposes, and all points of order against sections 502, 515, and 522 of said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONFERENCE REPORT ON H.R. 18583, COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT OF 1970

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 18583) to amend the Public Health Service Act and other laws to provide increased research into, and prevention of, drug abuse and drug dependence; to provide for treatment and rehabilitation of drug abusers and drug dependent persons; and the strengthen existing law enforcement authority in the field of drug abuse:

CONFERENCE REPORT (H. REPT. 91–1603)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 18583) to amend the Public Health Service Act and other laws to provide increased research into, and prevention of, drug abuse and drug dependence; to provide for treatment and rehabilitation of drug abusers and drug dependent persons; and to strengthen existing law enforcement authority in the field of drug abuse, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 2 and 21, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I—REHABILITATION PROGRAMS RELATING TO DRUG ABUSE

"PROGRAMS UNDER COMMUNITY MENTAL HEALTH CENTERS ACT RELATING TO DRUG ABUSE

"SECTION 1. (a) Part D of the Community Mental Health Centers Act is amended as follows:

"(1) Sections 251, 252, and 253 of such part (42 U.S.C. 2688k, 2688l, and 2688m) are each amended by inserting 'and other persons with drug abuse and drug dependence problems' immediately after 'narcotic addicts' each place those words appear in those sections.

"(2) Clauses (A) and (C) of section 252 of such part are each amended by inserting ', drug abuse, and drug dependence' immediately after 'narcotic addiction'.

"(3) The heading for such part is amended to read as follows:

" 'PART D—NARCOTIC ADDICTION, DRUG ABUSE, AND DRUG DEPENDENCE PREVENTION AND REHABILITATION'

"(b) Part E of such Act is amended as follows:

"(1) Section 261(a) of such part (42 U.S.C. 2688o) is amended by striking out '$30,000,000 for the fiscal year ending June 30, 1971, $35,000,000 for the fiscal year ending June 30, 1972, and $40,000,000 for the fiscal year ending June 30, 1973' and inserting in lieu thereof '$40,000,000 for the fiscal year ending June 30, 1971, $60,000,000 for the fiscal year ending June 30, 1972, and $80,000,000 for the fiscal year ending June 30, 1973'.

"(2) Section 261(a) of such part is further amended by inserting ', drug abuse, and drug dependence' immediately after 'narcotic addiction'.

"(3) Sections 261(c) and 264 are each amended by inserting 'and other persons with drug abuse and drug dependence problems' immediately after 'narcotic addicts'.

"(4) The section headings for sections 261 and 263 are each amended by striking out 'AND NARCOTIC ADDICTS' and inserting in lieu thereof ', NARCOTIC ADDICTS, AND OTHER PERSONS WITH DRUG ABUSE AND DRUG DEPENDENCE PROBLEMS'.

"(c) Part D of such Act is further amended by redesignating sections 253 and 254 as sections 254 and 255, respectively, and by adding after section 252 the following new section:

" 'DRUG ABUSE EDUCATION

" 'SEC. 253. (a) The Secretary is authorized to make grants to States and political subdivisions thereof and to public or nonprofit private agencies and organizations, and to enter into contracts with other private agencies and organizations, for—

" '(1) the collection, preparation, and dissemination of educational materials dealing with the use and abuse of drugs and the prevention of drug abuse, and

" '(2) the development and evaluation of programs of drug abuse education directed at the general public, school-age children, and special high-risk groups.

" '(b) The Secretary, acting through the National Institute of Mental Health, shall (1) serve as a focal point for the collection and dissemination of information related to drug abuse; (2) collect, prepare, and disseminate materials (including films and other educational devices) dealing with the abuse of drugs and the prevention of drug abuse; (3) provide for the preparation, production, and conduct of programs of public education (including those using films and other educational devices); (4) train professional and other persons to organize and participate in programs of public education in relation to drug abuse; (5) co-

readily apparent to one, but to another person it would be readily apparent.

I think the definition "recognized hazard" comes nearer to identifying it as something that would be recognized by all people—not just readily apparent to an expert in that particular field.

A minute ago I wanted to mention something in regard to the recording of injuries and deaths. I believe there was mention of 14,500 deaths, and there were approximately 2.2 million time-loss injuries which resulted in some degree of permanent disability. These figures encompass everybody from the truckdriver who is involved in a road accident to a person who takes a guard off a machine and puts his hand in it.

There could be the best possible safety standards on a machine, or there could be the best possible air pollution controls in a plant, and perhaps economic pressure, or perhaps carelessness or indifference, would cause someone to take the guard off, leave the door open, or leave the filter off, which would permit the working condition over which he has control as an employee.

The employer has given him the facilities to make this place safe, but the employee has control over the area, and he permits it to deteriorate and to become an unsafe working area.

I do not know how we are ever going to stop this. It is a common practice; carelessness creeps into a job, and indifference to safety.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield there?

Mr. SAXBE. I yield.

Mr. WILLIAMS of New Jersey. Employees must also comply with the requirements of the act.

Mr. SAXBE. I know.

Mr. WILLIAMS of New Jersey. I wonder if this would be a convenient place for me to ask a question of the Senator.

Mr. SAXBE. Yes.

Mr. WILLIAMS of New Jersey. First, as I understand the parliamentary situation, a motion was made to take the bill up, and that is the motion before the Senate; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS of New Jersey. I have been listening attentively and with great interest. It seems to me that we are now getting into the merits and demerits of the legislation. I wonder if it would not be better, I ask the Senator from Ohio, to deal with the motion, and have the bill before us, rather than getting into the merits of the bill in this fashion.

Mr. SAXBE. Yes; I recognize we are getting into the merits of the bill, but what I am doing by getting into the merits of the bill is calling attention, as the Senator from Kentucky said, to the many facets that are involved in this bill.

I do not think we should proceed, in the dying days of this part of the session, to take up a bill of the magnitude that we have here. I voted to get it out of committee; and I shall vote to pass the bill. I think it is a step in the right direction. The Senator and I are, there is no question about it, head on about the provision that he wishes to place under the Secretary of Labor, and I think it could best be handled under an independent board.

I compliment the Senator from New Jersey and the Senator from Texas (Mr. YARBOROUGH) on recognizing the merits of some of the amendments that they accepted in committee. The Senator recognized the merit of these amendments and accepted them.

Mr. WILLIAMS of New Jersey. Those are minor matters, though, put into the bill by committee action. Certainly the question of the National Institute of Occupational Health and Safety is a major matter.

Mr. SAXBE. Oh, yes.

Mr. WILLIAMS of New Jersey. And the whole study of workmen's compensation was very much aided by the senior Senator from New York (Mr. JAVITS), who has worked most assiduously and with great wisdom on this bill.

Mr. SAXBE. Yes; and his staff has done a tremendous job, of which I am well aware.

Mr. WILLIAMS of New Jersey. The Senator mentioned the Senator from New York and his staff. To do him credit, he chose a wise and able staff, and directs them with consonant wisdom.

Mr. SAXBE. That is quite true. My attitude is simply this: We had an opportunity last week to get to this bill. I was prepared to offer amendments and to talk on it. Instead, even after it was disclosed that there were not the necessary votes on the equal rights amendment, we have still spent this time on that.

I think now that we are down in the last minutes, that I want to tell, and I want it to be in the RECORD for people to read tomorrow morning, why I do not believe we should vote and make this important determination with 70 or fewer Senators in Washington. I also point out that the House of Representatives is not going to act, that nothing will be gained; that the temperament of the application of this bill is such that we have got 2- and 3-year gaps, and therefore the things I am talking about are background reasons why we should not undertake consideration of this bill at the present time.

I will agree and go along and insist on immediate consideration when we come back here on the 15th or the 16th, and I believe that we can get it passed and to the President, who, I am informed, is most eager to get this legislation, well before our final adjournment for the year.

So that is the attitude that I have on this matter at the present time. But I was speaking of the difficulty in accumulating statistics. We can come up with many different figures that point out that the industrial area is an extremely dangerous area, but at the same time the man who gets up and goes to work at the factory is often going into a safer environment than the housewife who stays home and does her housework. We know that there are hazards associated with all types of activities, and it has been pointed out repeatedly that the home is indeed a dangerous place.

However, we still have to make every effort to make the place of employment not only as safe as possible, but also a place where the effectiveness is not impaired, the work is not impaired, by fear of dangerous fumes or accidents; but, of course, the man who is the casualty of the automobile wreck, where he was observing all the standards and was driving with a company car, and was killed by a drunken hit-skip driver, is still a casualty that goes down as one of our great business and industrial casualties. So we have to temper all this.

One of the areas that has been suggested as an area of harassment is the part where any employee, when he believes that a dangerous situation exists, can serve notice and require the presence of an inspector. While this has been modified by later amendment in the committee, nevertheless there exists an area for harassment at a time of union difficulties or negotiation and one that has no place in health and safety practices within a place of employment.

We cannot be detracted by any other interest, of either the union or the employer, from our primary purpose of saving lives and preventing injury to employees.

If the employer would want to make conditions so unfavorable that his plant would be closed down and he would be saved from unemployment compensation, this has been taken care of in this bill. He would not benefit by such type of actions, and that part is very good. At the same time, I think we should fully discuss the position of the employee who wishes to take advantage of the opportunity to harass the employer by a series of complaints on safety standards that would affect the continued operation of the plant.

I should like to explain some of the nomenclature that is used in this measure at the present time and in my discussion today.

When I talk about "plant," when I talk about "factory," and when I talk about "mill," my remarks are also to apply to all the other businesses that are going to come under this measure. Many of them would be outside activities where there is limited amount of machinery but exposure to other safety hazards.

In my State, the risk factor for workmen's compensation is at its greatest in two areas—farming and quarrying. Farming, which one would think would be a relatively safe operation, is one of the most hazardous. Why? Because an individual is out there without an employer to tell him to put the guard on the machine, without an employer to tell him to keep away from the moving machine, without an employer to tell him to do all the things which the employer tells him to do makes him do in a plant. So farming is a very high risk in workmen's compensation.

In talking about plant, factory, and so forth, the place of employment could be the cab of a truck, the place of employment could be a private automobile, or the place of employment could be that of one who moves around from one place to another, such as an installer in a home or in a factory. All these are covered under this measure.

Mr. President (Mr. COOK), when we talk about the factory, we are not just limiting ourselves to thinking about a man who stands there and works on a great press or another piece of machinery, or who works in a kiln or in a part-producing factory.

If we first accept that the general duty of the employer is to provide a place that is safe and free from recognized hazards or, as in the substitute bill, readily apparent hazards, the next step, of course, is to define these rules. We come down to a point that is going to be of great moment and an issue we are finally going to have to decide: Who determines just what is a hazard and how to protect from it? This seems to me to go to the very depth of our individual and collective concern in government and its place in lives of people and the States in which they live.

If the Secretary of Labor, advised by panels, is going to be the one to do this, I think we have to recognize the advantages and recognize the shortcomings. The Secretary of Labor, as an individual, it is true, is going to be freer of the pressures, perhaps, that would come from a board that would be selected as most boards are somebody from the union, somebody from the employers, somebody as a public member, as it is called, although I never have been able to determine just exactly what that is.

But there will be people who are extremely liberal in regard to safety legislation and those who are extremely conservative. The use of those words is difficult, because "liberal" means one who wants very tight and very restrictive legislation; whereas, the more conservative person might say, "We don't need that tight a restriction."

In a panel, you are going to get people from both ends of the spectrum, and then you are supposed to get public members. If you have five, you would have two of employer, two of employee or union, and one public member. It would mean that you would have a great deal of pull and haul, and it would be difficult to work with and control, as all such boards are.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had agreed to the concurrent resolution (H. Con. Res. 779) to authorize the loan of the John C. King bust of John Quincy Adams to the National Portrait Gallery of the Smithsonian Institution, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 17654) to improve the operation of the legislative branch of the Federal Government, and for other purposes.

POLITICS FIRST

Mr. DOLE. Mr. President, I wish to announce to the Senate that a few minutes ago the House, by a vote of 190 to 146 with one Member voting "present," adopted the conference report on H.R. 18546, the Agricultural Act of 1970.

I wish to express my disapproval of the announced intentions by the majority leadership of the Senate to delay and possibly kill the conference report on H.R. 18546, the Agricultural Act of 1970.

For nearly 2 years, Congress has been considering this legislation. This bill passed the House in August by a vote of 212 to 171—the largest margin on a farm bill I can recall in the 10 years I have been a Member of Congress. It has the support of the administration.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from President Nixon to Representative BELCHER, dated October 8, 1970, in which the President indicates that the conference report is acceptable.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, October 8, 1970.

Hon. PAGE BELCHER,
House of Representatives,
Washington, D.C.

DEAR PAGE: I appreciate the fine work that you and your colleagues have done in bringing the farm bill through the Conference Committee.

As I indicated in my earlier letter to you, I considered the farm bill reported by the House Committee on Agriculture good legislation. I expressed the hope that it would be enacted promptly and with minimum change. Although the bill proposed by the Conference Committee does make a number of changes, I believe it is the best compromise that could have been attained under the circumstances and one that this Administration can accept.

The scope and significance of this farm bill indicate that it is truly a team effort, and I congratulate you and the other conferees on the contributions you have made.

Sincerely,

RICHARD NIXON.

Mr. DOLE. The 212 House Members voting for the bill included the leaders of both parties, and of the 212, 126 were Democrats, 86 Republicans.

While the Senate has traditionally supported farm legislation, this action by the leadership now jeopardizes the whole farm program.

THE WINTER WHEAT PRODUCER NEEDS TO KNOW

Mr. President, I recognize that some segments of agriculture will not be immediately affected by the delay, but, the winter wheat producer will certainly suffer and bear the brunt of this political delay. In addition, the orderly planning and continuation of Public Law 480—the food for peace program—the National Wool Act and the special dairy programs for the armed services and veterans hospitals are all thrown into jeopardy.

Year after year, the winter wheat producer plants without knowing what the exact provisions of the program may be, or whether there will be a program at all. It is inconceivable to me that action on the already-delayed farm bill should be delayed even further. From a political standpoint, I can see no advantage to Democrats for holding up the bill. In fact, I am of the opinion that farmers recognize that Democrats control the Senate and that the Democrat leadership is certainly in a position to call up the conference report at any time after it is acted upon by the other body and when it reaches the Senate.

There has been no assurance given that the leadership intends to act even after the election recess, but in the meantime, the damage has been done, and the will of the majority of the Senate, as well as the will of the House and the administration, has been again frustrated.

Mr. CURTIS. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. The Senator from Ohio has the floor.

Mr. CURTIS. Mr. President, I ask unanimous consent that the Senator from Kansas may yield to other Senators and that the Senator from Ohio (Mr. SAXBE) then continue to hold the floor at the end of that time.

The PRESIDING OFFICER (Mr. COOK). Without objection, it is so ordered.

Mr. DOLE. I yield to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from Kansas.

Mr. President, I want to commend the distinguished Senator from Kansas for speaking up on this subject.

I, to, hope that the majority leadership will change its mind and call up the conference report and do it tomorrow.

Agriculture always faces many hazards, the hazards of weather, the hazards of the marketplace, and the hazards of not knowing what the Government is going to do or whether the Government is going to act at all.

This goes far beyond mere disappointment and frustration, the fact that we do not know whether there will be any farm legislation.

Two weeks ago, the business manager of a college in my State came to see me. He said that the endowment fund of the college owned a farm in western Nebraska in the wheat country. They had the wheat sowed. The farmer had paid $2,000 down—earnest money. But he came back and surrendered his contract and waived his $2,000 because he said he could not find out whether Congress would enact a farm bill. That is not an isolated incident. While most farmers are not in the process of buying land, they are faced with the same decision of planting acreage allotments and making arrangements for next year and the like, as this gentleman found himself.

The time for planting winter wheat has gone by for several weeks now, but other plans are involved. No farm bill is ever a perfect bill. There is competition within agriculture. There is disagreement among individual farmers as to what should be done. There is also disagreement among farm organizations.

Thus, after all that process is gone through and we finally agree on a bill, the conferees agree, and the House accepts, to deny the Senate a prompt vote on it is not just a disservice to the administration or to the minority party, it is a disservice to the institution of agriculture itself and especially is it a disservice to the individual farmer.

Again I express the hope that the leadership will change its mind and before

we go out of here tomorrow night that the conference report can be called up and acted upon.

I thank the distinguished Senator from Kansas for giving me this opportunity to make these comments.

Mr. DOLE. I thank the distinguished Senator from Nebraska.

Mr. HANSEN. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I yield.

Mr. HANSEN. Mr. President, I want to thank my distinguished colleague from Kansas for yielding.

I, too, rise to express my regret and dismay that, so far, the leadership has apprised us of its unwillingness to consider the conference report from the conferees on such an important piece of legislation as the farm bill.

Farming is the second greatest industry in Wyoming. The western part is characterized by grazing of livestock—both cattle and sheep. Other areas also are well known for their fine herds and flocks. The lower portions of the State are characterized by different kinds of row crops, including corn, sugar beets, and beans. A number of small grains are raised in Wyoming as well.

The choice that the farmer has today, as we all know, is not what amounts should be raised, or how to raise them, but it depends on what we in Congress do. Thus, it is with considerable dismay that Inote the failure to take action on this important piece of legislation.

I am aware of the fact that we have spent much time on legislation that has taken us into the late fall, one of the exercises, seemingly futile, that engaged us for some 6 weeks being the debate on the Cooper-Church amendment. I am told now that the House conferees refused even to meet with the Senate conferees, further to discuss that amendment. So it would seem reasonable to assume that all the time we spent on that amendment, some 6 weeks, which we gave almost exclusively to debate on that issue, which some in this body felt was so important, has gone for naught; because if what I hear is true, there will be no further consideration by the House conferees on that piece of legislation.

When we talk about the farm bill, we are talking about something important not only to the second most productive industry in Wyoming, insofar as the financial return is concerned, but we are also speaking about something that involves very directly the working men and women of America.

There are any number of bills before this body—as it is equally true that there are many bills before the other body—which would make available greater amounts of money to retrain those who are out of jobs. There has been a great exodus, as the distinguished Presiding Officer, the Senator from Alabama (Mr. ALLEN), knows at this moment, from the rural areas of America—especially the South and the farmlands of America—to the cities. These people have few skills that are merchantable in the cities of America. These people from the farms and rural areas of America have contributed most importantly to the rising number of unemployed in the great cities of America. They add very decidedly to the increasingly burdensome weight of welfare.

How we can contemplate this seeming indifference, as currently expressed in our failure to consider now, timely and appropriately, the agricultural bill, amazes me.

I submit that we are making more difficult the providing of jobs in sufficient amounts and numbers to keep as many people as we possibly can in the rural areas of America. That can have only one effect: to add to the number of unemployed and to the burden of caring for people on the welfare rolls.

I hope most sincerely that before we adjourn by tomorrow evening, whenever we do adjourn, that we will have gotten around to the decision that we are going to act upon this report by the conferees on the agriculture bill. To do less would be a great disservice to America. It would be a great disservice to the people whom we are most concerned about, those who are unemployed and on welfare.

I thank the distinguished Senator for yielding.

Mr. DOLE. Mr. President, I thank the Senator. I was on the floor yesterday when the Senator from Wyoming raised the question about when the conference report would be considered. The Senator from Wyoming was informed by the Senator from West Virginia that the conference report would not be considered until after the election recess.

I share the hope of the Senator from Wyoming that perhaps before we adjourn tomorrow afternoon there will be a change of plans and that consideration will be given to the conference report.

We are not only involved in delay of the conference report, but also the matter of delaying a wheat referendum. There has been delay in getting the conference report approved by Congress. However, in the event the report is not approved and we conduct a referendum, it could mean a loss of $870 million to the wheat farmers.

It is estimated that 80 percent of the winter wheat has already been planted. It is the same story the farmer faces every year. He never knows what the program will be or even if a program will be enacted.

There are plans that the farmer must make. It is essential that he have this information.

Mr. HANSEN. Mr. President, let me say that my State of Wyoming, of course, is a winter wheat operation, as the distinguished Senator knows. We have only half of our ground in actual wheat production in any one year. The other one-half is in summer fallow.

It is too bad that we have been denied this long the opportunity of knowing what the Government's program would be.

What the Senator from Kansas says is most appropriately applied to the State of Wyoming.

I thank the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I yield now to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Kansas for yielding. He is a fellow member of the Senate Committee on Agriculture and Forestry. I know the distinguished leadership which the junior Senator from Kansas has given in the development of farm legislation.

I join my colleagues in expressing hope that the leadership of the Senate will make it possible for the Senate to vote on the conference report before we adjourn.

Mr. President, I come from one of the principal winter-wheat-producing States. We are one of the Southern States. We are still in the process of planting wheat. Much of it has been planted. However, still many farmers do not know what the production might be. However, they can still modify their plans to fit the bill if it is enacted into law.

Mr. President, for the past 5 months winter wheat farmers throughout the midwest have been held in a state of suspended animation—awaiting action on the new farm program. For this large number of food producers, the information as to the number of acres of winter wheat which they are allowed to plant and the number of acres which they must set aside is a matter of great importance. It is information which they should have had no latter than July 1, this year.

It may not be fully understood by some Members of the Senate that the crop year for winter wheat growers begins in June—almost a full year before the harvest. It is then that they must begin tillage operations leading up to planting which begins in September.

Mr. President, winter wheat growers deserved to know the laws under which they would be planting their crop for harvest in 1971 before they began preparation for planting in June, 1970. They needed this information so they would know how to plan their tillage and fertilizer operations and for the efficient management of their farms.

Unfortunately, action on the farm bill has been delayed and winter wheat farmers have had to proceed without knowing the rules in planting of their 1971 crop. However, action by both the House and Senate has now been taken, and the House has approved the conference committee report. It is unconscionable for the Senate to consider a 30-day recess without acting on the conference committee report, and in this way giving winter wheat growers the information on the farm program which they should have had 5 months ago.

Mr. President, in the new farm program, there was language in the Senate bill which would prevent dilemma for winter wheat growers in 1974, when the new farm program expires. Under those terms, the Secretary of Agriculture would have authority to extend the program for an additional year, in case the Congress again fails to take timely action.

Mr. President, America owes a tremendous debt to agriculture, and especially the winter wheat growers. These food producers have provided American consumers and our friends abroad with abundant food through war and peace. By constantly increasing efficiency, they have served to help fight inflation and

to hold down the cost of living to the point that American workers are able to feed their families more economically than any other workers on earth. The Congress cannot, in good conscience, refuse to act upon this bill before it adjourns and subject winter wheat growers to further delay and to continued uncertainty. America's food producers deserve fairer treatment from the Senate.

Mr. President, I thank my friend, the Senator from Kansas for yielding. I congratulate him for calling to the attention of the Senate the importance and timeliness of this action.

I join in expressing the hope that the leadership of the Senate will make it possible for us to vote on this important measure before we adjourn.

Mr. DOLE. Mr. President, I thank the Senator from Oklahoma. He is a member of the Agriculture and Forestry Committee and perhaps knows more about winter wheat production than all of us combined as he is a producer of winter wheat in the great State of Oklahoma.

I realize that acting on the conference report at this time might be politically sensitive to some Members of the Senate who are seeking reelection. However, it appears to me that the first concern should be the American farmer and particularly, in this instance, those in the area of winter wheat production who, as has been indicated by the Senator from Oklahoma, should have had this information 4 or 5 months ago.

There is still no information available. We do not know what the final program will be. The Senate could reject the conference report. However, I hope not. There is no reason to further delay action on the conference report which passed the other body earlier today by a vote of 190 to 146.

I would hope that the Senate in its best tradition would act tomorrow so that the farmers would know even at this late date how they might plan for the future.

I yield now to the Senator from Arizona.

Mr. FANNIN. Mr. President, I thank the Senator from Kansas. I commend him and the other Senators who have entered into this colloquy on their comments regarding the holding up of the conference report.

Many States will suffer, but the Western States will probably suffer tremendously because of this delay. Their planting, their financing, and all of their planning has been left in jeopardy.

They have been patiently awaiting action by Congress. This disruption can be disastrous, for not only is the farmer at the mercy of the weather, but we are adding further to his troubles.

The consumer will pay the penalty, too, as a result of this irresponsible action if it continues.

We are asking the farmer to employ a greater number of people. But we are placing barriers in the paths of the farmers.

By the action being taken, we are exporting jobs to foreign countries that will be taking over the production of crops we have planned.

I trust that the Senate will act on the conference report before we adjourn on tomorrow.

Mr. DOLE. Mr. President, I thank the Senator from Arizona, and share the hope that the Senate will act tomorrow on the conference report. There is basic agreement as the conferees did resolve the major differences in the House and Senate versions.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief summary of the conference report as set forth in the report of the conferees.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

A BRIEF SUMMARY

There follows a brief summary of the principal provisions of the conference substitute:

TITLE I—PAYMENT LIMITATION

1. Establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, and feed grains.

2. The limitation imposed considers all payments made for price support, set-aside, diversion, and public access, as well as marketing certificates.

3. The Secretary is authorized to adjust set-aside acreage and is directed to issue regulations necessary to insure fair and reasonable application of this title.

TITLE II—DAIRY

1. Amends and extends the authority for the Dairymen's Class I Base Plan in Federal milk market order areas and provides that any area covered by the program during the next three years could continue to have it in effect up to December 31, 1976.

2. Suspends the operation of the mandatory butterfat price support program for farm-separated cream and permits the Secretary to set lower support prices on butter.

3. Extends the Secretary's authority to donate dairy products owned by CCC to the Armed Services and Veterans Hospitals.

4. Provides authority to make indemnity payments to dairy farmers and dairy processors who, through no fault of their own, have their milk or dairy products contaminated by and condemned because of the presence of pesticides and residues.

TITLE III—WOOL

1. Extends the National Wool Act of 1954, as amended, through December 31, 1973.

2. Continues the present incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

TITLE IV—WHEAT

1. Suspends marketing quotas and acreage allotments for 1971, 1972, and 1973.

2. Provides domestic marketing certificates for farmers participating in the set-aside program in an amount equal to U.S. food consumption (not less than 535 million bushels annually).

3. Sets the face value of these domestic certificates at the difference between the wheat parity price (currently $2.85 per bushel) and the average price received by farmers during the first five months of the wheat marketing year (which starts on July 1).

4. Provides for a "preliminary" payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment (if any) would be paid after December 1. If the Secretary's estimate were too high, no refunds by farmers would be required.

5. Continues the cost of certificates to wheat processors at 75 cents per bushel.

6. Authorizes the Secretary to set nonrecourse loans to participating farmers from $1.25 per bushel to 100 percent of the parity price for wheat.

7. Establishes a set-aside program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary. The 1971 set-aside would be 13.3 million acres. The 1972 and 1973 set-aside could not exceed 15 million acres.

8. Authorizes additional set-aside and public recreational access payments.

TITLE V—FEED GRAINS

1. Establishes a voluntary feed grain (i.e., corn, grain sorghum, and barley) program for 1971, 1972, and 1973.

2. Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between the higher of (a) $1.35 per bushel or (b) 70 percent of the parity price (for corn) and the average market price for the first five months of the marketing year (which starts on October 1 on corn and grain sorghum and July 1 on barley). In no event, however, would these payments be less than 32 cents per bushel for corn (with corresponding rates on grain sorghum and barley).

3. Authorizes the Secretary to set the nonrecourse loan level for corn from $1.00 per bushel to 90 percent of parity.

4. Authorizes additional set-aside and public recreational access payments.

5. Establishes a set-aside program under which participating farmers would be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

6. Provides for a preliminary payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and $1.35 were more than 32 cents during the first five months of the marketing year, and additional payment would be made. In no event would refunds by farmers be required.

TITLE VI—COTTON

1. Provides payments on the estimated production from 11.5 million acres for the 1971 crop, In 1972 and 1973 the base acreage allotment would be set by the Secretary, and total payments would be adjusted accordingly.

2. Provides participating cotton farmers with loans and payments. The loan would be 90 percent of the average world price for two previous years. The payment would be the difference between the higher of 65 percent of parity or 35 cents and the average market price for the first five months following the beginning of the marketing year (which begins August 1), but in no event less than 15 cents per pound. No refunds by farmers would be required. Small farms would be eligible for 30 percent bonus payments.

3. Authorizes payments to participating farmers on acreage made available to the public for recreational purposes or on additional voluntary set-aside acreage.

4. Provides for a set-aside of cropland (not to exceed 28 percent of the cotton allotment) as a condition of eligibility for benefits under the program.

5. Establishes a voluntary program under which marketing quotas, and penalties would be suspended for three years.

6. Requires participating farmers to plant cotton to receive payments, with two exceptions: (a) if unable to do so because of natural disaster or other condition beyond producers' control; (b) if not less than 90 percent of allotment is planted.

7. Provides for cotton research and promotion program.

8. Allows the sale of cotton allotments within a State, permits the lease of allotments within a State, and provides for the

release and reapportionment of allotments during the 3-year life of this legislation.

9. Authorizes anniversary-type loan program under which the Secretary shall, after being presented with warehouse receipts reflecting accured storage charges of not more than 60 days, make non-recourse loans for a term of 10 months from the first day of the month the loan is made.

TITLE VII—PUBLIC LAW 480

1. Extends the provisions of P.L. 480 (the "Food for Peace" program) which authorizes donations and long-term dollar credit and foreign currency sales of U.S. farm commodities to underdeveloped nations.

TITLE VIII—GENERAL AND MISCELLANEOUS

1. Continues the "Cropland Conversion" and "Greenspan" (long-term land retirement programs) at an authorized appropriation level of $10 million annually for each program.

2. Extends permanently the exemption from marketing quotas for boiled peanuts.

3. Permits farmers or other land owners who do not desire to hold an allotment on any crop under a government program to voluntarily relinquish it. (This would be a permanent provision.)

4. Establishes an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

5. Permit producers to plant, harvest, and bale hay grown on wheat, feed grain, and cotton set-aside or diverted acres and store such hay for future emergency periods declared by the Secretary. The Secretary could also make loans for baled hay storage facilities.

6. Amends the Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants) and for direct real estate loans to farmers and ranchers shall remain available until expended. Also provides that unused authorizations for appropriations shall carry over from year to year.

TITLE IX—RURAL DEVELOPMENT

1. Commits Congress to a sound rural-urban balance and provides for various reports on planning assistance, technical assistance, government services and utilities, and financial assistance. Also requires a Federal policy that new offices and facilities be located, insofar as practicable, in communities of lower population density.

Mr. DOLE. Mr. President, I yield now to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I thank the Senator from Kansas.

Mr. President, the Senator from Kansas has rendered a very valuable service to the Senate in calling this matter to the attention of the Senate at this time.

Mr. President, I come from a farming country in western Colorado. This whole area, as everyone knows, is one of the great wheat producing areas in the country.

I do not know how many times in the last few weeks my phone has rung.

Some farmers I have known a long time have said, "Gordon, what in the world"—although they usually use stronger language than that—"shall I do with respect to my wheat plantings?"

Here we are at October 13. The wheat in the Great Plains area, and the Senator from Kansas and the Senator from Oklahoma are certainly included in that area, should have been planted at least in September, a month ago. Some of it was planted as late as October with the farmer just taking a chance. But for the best growing conditions in our area it should have been planted by September. Now, here we place these farmers in this situation.

Having gone through the dust bowl of the 1930's and the 1950's with these people, I have great sympathy and understanding for them because, in going through those two times, I think the farmers of this area exhibited as great a personal and collective courage as any group has even exerted in this country. It seems to me the farmers have increased the productiveness of their particular vocation beyond any other facet or phase of American life.

As was just said a few moments ago, as a result the American citizen today is devoting less of his earned income to food than he ever has in his life before, and yet year after year as we come to consider the agriculture program we meet them not on a long-term basis, although there is an attempt to do that in this bill, but rather on a short-term basis; and year after year when we have before us the consideration of the farm bill the phone starts ringing and people start asking, "Senator, what in the world are we going to do? More important, what is Congress going to do about the farm bill?"

Now, we have a farm bill. I have not seen the conference report as of this moment. I have not had time, having been in other meetings. But regardless of whether one decides to support the conference report, and at this moment I am inclined to do it, if it contains what I think it does, it is about time we quit using the agriculture people of this country as one of the whipping boys of our economy and also trading off their interests, particularly against the interests of the so-called consumer, because we are all consumers.

In the meantime, Congress has taken other steps which increase constantly the costs to the farmers. The cost of labor has gone up dramatically in the past 10 to 15 years; the cost of machinery has gone almost out of sight; it is impossible for anyone to even commence a farm operation now, at least, in our part of the country. With an investment in machinery of $50,000, it takes away the concept of the family farm, the farmer starting out in business himself which we have talked about for many years.

So now, the Agriculture committees of the respective Houses have met and reached an agreement upon a farm bill. It seems to me that the least we can do is to bring the conference report up for a vote now. If we wait until we return from this very unfortunate recess that we are having—a recess which, in my opinion, could have been avoided and should have been avoided—we are not going to decide this conference report, in my opinion, on November 16, but it is going to be a week or 2 weeks, 4 weeks, 5 weeks after that before it is finally decided.

So, then we foreclose any action by the farmers who might plant still a little winter wheat in a few places, and we leave them sitting out on the end of a limb which Congress is trying to saw off as fast as it can.

I think the Senator from Kansas has done an eminent job in calling this matter to the attention of the Senate today. I wanted to express my opinion about this matter because to me there seems to be a situation in this country where the farmer and the agriculture people of this country are the fall guys for all of our problems. They are not that. They have been the most productive and they have increased their production more than any group in this country while the expenses of that production have grown as dramatically as they have grown in any area of our economy.

For that reason I would hope the leadership of the Senate would see fit to call up this conference report either this afternoon or before the Senate adjourns tomorrow.

I thank my friend for yielding.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. DOLE. Mr. President, the Senator from Iowa was a conferee. I would observe for Senators now in the Chamber that another conferee, the distinguished Senator from Florida, is present also. I am pleased they are both present because they performed monumental work in connection with the conference report and in bringing about a solution to many of the problems faced in conference.

I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I thank my colleague from Kansas for yielding. While most of those who have been speaking on this matter represent substantial wheat interests, there are other farmers in the Nation besides wheat farmers who have a great amount of concern about the conference report on the agriculture bill. My own feed grain people in Iowa and throughout the country, the dairy people, the woolgrowers, the cottongrowers all have a tremendous stake in this legislation.

As one of the 14 conferees—seven from the Senate and seven from the House—I spent the better part of 2 weeks every morning and every afternoon in very long, difficult, and sometimes tortuous sessions in an effort to resolve the differences between the House-passed bill and the Senate amendments. There were times when it appeared we might not get a bill, but finally as a result of the great leadership on the part of the Senator from Florida (Mr. HOLLAND) we did come to grips with some of the most difficult features of the bill and managed to get passed what I consider a reasonably sound farm bill.

The activities in the conference committee were completely and utterly bipartisan. I think the vote by which the House this afternoon adopted the conference report, with a vote of 190 to 146, demonstrates the bipartisanship displayed in the conference.

I would guess that overall in the Senate Chamber the attitudes toward the farm bill would be bipartisan. This has usually been the way it has been.

But I am advised that two of the Senators from the other side of the aisle who are involved in reelection campaigns have asked that this bill be held up. Now, if it is to be held up until tomorrow so that they might return to vote on the bill, that is one thing; but if the request to hold up the bill is to prevent the Senate

from acting on this report before the latter part of November, that is another thing. No one knows the purpose, but we will know by tomorrow.

I deeply regret that the Senate leadership, the Democratic leadership which is in control of the Senate, has not seen fit yet to accept the conference report from the House.

I hope that the Democratic leadership will exercise its responsibility and direct the Senate Parliamentarian to notify the House that the Senate is ready to receive the report, along with the accompanying documents. I hope this will be done at once, and in any event not later than tomorrow morning, so the Senate may act on this most important conference report. As I said, this has been bipartisan legislation all the way through, on the House side, in the Senate Agriculture and Forestry Committee, in the conference committee, and in the House adoption of the conference report this afternoon. But the delay is very much partisan. If the Democratic leadership does not permit the Senate to vote on the report tomorrow, it will be nothing but partisan politicking at the expense of the Nation's farmers, and the Nation's farmers will know it, and I for one intend to see that they know it.

I think the delay so far is most unfortunate. It has given foundation to all kinds of rumors. It has put a great many farmers in a quandry. The farm organizations do not know what to tell their members. The Agriculture Department officials do not know what kind of orders to prepare. There are some unusual features in the program this time, such as the set-aside. It is going to take time to work that out in publications and to get them out to the various States and local communities so that the farmers and the USDA local officials will know exactly what these new programs mean.

To hold all of them up until the latter part of November would be, I think, most selfish and shortsighted. It cannot do anybody any good at all. It can only do harm.

As I said, with the exception of the inaction which I am sure has resulted from certain understandings by the leadership with the other body, we ought to have acted on this measure this afternoon. The House has taken prompt action on it. There is no reason why the Senate cannot. But if, because of certain absent Senators who will return tomorrow, it will be held up so that they can vote tomorrow, that is fine. The Senator from Iowa would have no objection to that. The only problem is, Why have not we been told this? Usually, when we are anxious to pass some legislation, we are told that perhaps two or three of our colleagues are absent, but they will be back tomorrow; will we please hold up action so that they can be recorded on a very important measure? As a matter of getting on with each other, usually most of us agree, "All right, we will delay until tomorrow." But we have not had that situation at all. All we have is silence, along with some rumors and reports.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. BYRD of West Virginia. The distinguished Senator has not just gotten silence. The able majority leader, on the floor this morning, indicated that he personally would like to see the conference report brought up. He stated that there are some Senators who have very important and significant positions in connection with the conference report, however, who ought to be here. He indicated that he hoped we could clear up the calendar as much as possible, and he also indicated that he would do everything he could possibly do to dispose of matters on the calendar and to dispose of as many conference reports as he could on tomorrow before the Senate adjourned until November 16.

So, the Senator from Iowa has not just gotten silence. The majority leader expressed his hopes earlier today. I am sure he did so in good faith. He will read the record of today, and I am confident that, if it is within his power to move the conference reports forward, and if Senators who hold important positions in connection with the Agriculture conference report are here, the majority leader will do just what he said—he will do everything he can to clear the calendar of all conference reports. So let not the record show that the Senator has just met with silence. The majority leader has spoken, and he means to keep his word.

Mr. MILLER. The Senator from Iowa will stand corrected on the "silence" matter, although I must say that the distinguished majority leader might just as well have remained silent as far as the meaningfulness of what he had to say with respect to acting on this measure tomorrow is concerned. The Senator from West Virginia well knows that day after day in this body we have an understanding right down here at the well of the Senate Chamber between the leadership that we are going to take action tomorrow or next day on certain very important measures. We do not have that understanding at all. The Republican leadership is ready, willing, and able to work on this measure, but all we have received is an expression of hope from the majority leader.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MILLER. I have tried to make clear that we have on record hold orders relating to two of our Members who are standing for reelection, and do not relate to any other Senator. I tried to make that distinction so that it would be made clear that I am not talking about others who have a vital leadership role in this legislation. But, if my eyes did not deceive me, those other Members of the Senate from that side of the aisle who have a leadership position with respect to this legislation were very much present this afternoon. My understanding is that they will be present tomorrow. I think it is just a matter of the leadership not expressing a hope, but taking decisive action to enable the Senate to act on this measure tomorrow.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. BYRD of West Virginia. The Senator will recall that the able majority leader spoke this morning, prior to the passage by the House of the conference report this afternoon, so when the majority leader spoke, he was not aware, of course, of developments which have since transpired in the House, and I assume all of that will be taken into consideration.

I wonder if the Senator would care to venture a guess as to whether or not we might be able to reach a unanimous-consent agreement in connection with not only the conference report on the farm bill but also the occupational health and safety bill, so the Senate can vote on both tomorrow.

Mr. MILLER. May I say the Senator from Iowa cannot speak for this side of the aisle with respect to a time limitation. As I understand it, there are serious reservations on both sides of the aisle with respect to some features of the health and safety measure. I would hope that the fact that there are serious reservations, which could cause some serious debates in connection with amendments, that that would not be a cause for any delay on the conference report, which I would guess, in view of the House action this afternoon, would be accepted by the Senate. I would hope we would not hold up action on the conference report because of some legislation that is pending. I would guess there would be no difficulty in obtaining a time limitation for discussing the conference report, but here again the Senator from Iowa is not in a posiion to do so, although he would certainly join with the Senator from West Virginia in a motion to have a time limitation on the conference report.

Mr. BYRD of West Virginia. Mr. President——

Mr. DOLE. Mr. President, I think the Senator from Kansas has the floor.

Mr. BYRD of West Virginia. Mr. President, will the Senator from Kansas yield, without losing his right to the floor?

Mr. DOLE. I yield to the Senator from West Virginia.

Mr. BYRD of West Virginia. I merely thought it might be a suggestion worthy of consideration overnight and that it might be possible to work out some agreement whereby action could be completed on both measures at a reasonable hour tomorrow.

Mr. DOLE. Mr. President, let me say that there are some 19 amendments to the Occupational Health and Safety Act. The action on the conference report would be a rejection or approval of the conference report, an up or down vote, without going through the amendment process. The farm bill is of great importance to my State and to all the wheat and feed grain producing States. I hope there is an interest in the leadership in expediting it, although the Senator from West Virginia indicated yesterday the conference report would not be considered until after the recess.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. BYRD of West Virginia. The Sen-

ator from West Virginia is not attempting in any way to negate anything the Senator from West Virginia has said. What the Senator from West Virginia said yesterday was prior to the action this afternoon by the House on the conference report, just as in the case of what the majority leader said this morning.

Mr. DOLE. The Senator from Kansas would not want to hold the farm bill hostage in connection with the safety bill, because it is of vital importance.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the Senator who is perhaps more responsible than anyone else for having a conference report and for having the bill which passed the House today by a vote of 190 to 146.

I am happy to yield to the distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, I thank the Senator.

I was one of those, with the Senator from Iowa and others from both sides of the aisle, who worked very hard to have a conference report, and we all played our parts in getting that report. I probably have a greater interest in having speedy action on it that anyone else, because, if Senators will look at the back page of the Calendar of business for today, they will find that the agricultural appropriations bill has been ready for conference since July 9, which was the date that the Senate passed that bill, and we cannot take up that conference, as a matter of fact conferees have not been appointed by the House of Representatives, and probably will not be appointed until this farm bill becomes law. Since I have some duties in connection with thaa particular conference, I am most eager to have this conference on the farm bill we are talking about gotten out of the way with the greatest possible speed.

However, I have been advised by the majority leader that there is strong objection on the part of perhaps two Senators, and I know perfectly well what the Senate rules are. I know perfectly well that determined opposition on the part of a couple of Senators can defeat all of our well-laid plans—well-laid at least as far as I am concerned—to wind up this preelection session tomorrow night.

I am sure that the majority leader would be very happy if there was to be no determined opposition, and I am sure he is working to that end. I just want Senators to realize that there are some of us who must be patient about this matter. I do not think anyone is more anxious for a successful conclusion of this farm conference report than I. I have been negotiating with various Senators and with the majority leader and others, and nobody can question the fact that the Senator from Florida does want to get this conference out of the way, because, by simply looking at the calendar, he could see that we have been having to wait since July 9 in order to take up the conference on the agriculture appropriation bill, waiting patiently on the passage of the farm bill.

So if Senators will be patient, and if we all work together, I hope we may get this out of the way before we go home for the election. If that is not possible, the Senator from Florida will seek to bring it up the first day we come back.

I am not going to bring it up without the approval of the majority leader, when the majority leader tells me that, under the present analysis of the situation, it would be a futile thing, and would simply tie us up all day tomorrow and get us away from here not only without the passage of the farm conference report, but without the passage of other matters which could possibly be passed tomorrow.

So I ask the Senator from Kansas to possess his soul with patience. I am endeavoring to do just that, and the Senator from Iowa, who played a very real part in getting the conference report, I am sure, knows what the situation is. We will all just have to remember the rules of the Senate and, having in mind the very small amount of time remaining between now and adjournment tomorrow night, operate accordingly.

Nothing could be clearer than the fact that this is not a partisan matter, because the Senator from Iowa, the Senator from Florida, the Senator from Vermont, and the Senator from Mississippi all worked together very hard to get this conference report out, and neither party can claim any partisan credit, nor does so. We are all anxious to get this perfectly nonpartisan matter, of great importance to hundreds of thousands of farmers, disposed of. No one is more anxious than I, and I hope my friend from Kansas will also be patient, because we are up against a situation that none of us can change unless, by persuasion, we can be sure that there will not be stubborn resistance to the conference report.

I thank the Senator for yielding.

Mr. DOLE. Mr. President, I thank the Senator from Florida. I have just been informed that a story attributed to the distinguished chairman of our committee, the senior Senator from Louisiana, has announced that the conference report will not come up until after the adjournment, and he is quoted as saying that has been definitely been decided.

If that is the case, the leadership will perhaps not make an effort to resolve this matter before the adjournment tomorrow.

But it is not a question of the patience of the Senator from Kansas, nor that of the Senator from Florida, nor any other Senator. I again commend the distinguished Senator from Florida for his efforts in resolving some of the difficult problems faced by the conferees in a period of 1 or 2 weeks. The question is the patience of the American farmer, who, year after year, is asked to wait on a Congress, whether it is a Democratic Congress, which it has been for many years, or perhaps a Republican Congress, or on a Democratic or a Republican President.

It is difficult, as the Senator from Colorado indicated a few moments ago, particularly for the winter wheat producer, to understand why, year after year, we cannot come to grips, in Congress, with a farm program, and complete action upon it before planting time.

I understand those who may be opposed to bringing it up before election are in a tight battle for reelection. I frankly do not understand how delaying action on the farm bill will inure to their benefit. Most farmers understand that the Senate is controlled by the Democrat Party. Most farmers understand that there are some who would rather wait to vote until after the election. But by and large, the American farmer supports the farm program, and supports this bipartisan bill. Perhaps not all the farm leaders favor the conference report, but the farmer by and large supports it.

Most farmers are realistic. Most farmers understand that we may be in an era of the last farm program in American history, because Congress is more and more dominated by urban Members, particularly in the other body, who have less and less interest in agriculture.

The question of payment limitations has been a very difficult one, and when this bill expires, if it should be enacted, in 3 years, than there will be a difficult question whether there will be another farm program, where there are payment incentives to producers of cotton, wheat, feed grains, and other commodities.

But the question now concerns the best interests of farmers. It is not a question of the patience of the Senator from Kansas, the Senator from Iowa, the Senator from Florida, or anyone else who has spoken. It is a question of the best interests of the American farmer, and I find nothing, political or otherwise, that would indicate it is in the best interests of the farmer to walk away tomorrow and wait 30 days or more, before acting on the conference report.

Mr. President, I should like to pose a parliamentary inquiry at this point.

The ACTING PRESIDENT pro tempore (Mr. ALLEN). The Senator will state his parliamentary inquiry.

Mr. DOLE. Has the conference report, acted upon by the other body, reached the Senate floor?

The ACTING PRESIDENT pro tempore. It has not.

Mr. DOLE. Can the Parliamentarian advise the junior Senator from Kansas whether it is in the process of coming to the Senate floor?

The ACTING PRESIDENT pro tempore. The Parliamentarian does not give Senators advice. It comes from the Chair.

Mr. DOLE. A further parliamentary inquiry. I am advised that the papers have left the other body.

The ACTING PRESIDENT pro tempore. The Chair is not advised of that fact.

Mr. DOLE. Assuming that that is correct, they would come then to the Senate? Is that correct? Or could they be detoured between here and the House?

The ACTING PRESIDENT pro tempore. When the messenger came to the door, the Chair would recognize him.

Mr. DOLE. The main Chamber door?

The ACTING PRESIDENT pro tempore. If no Senator had the floor and a messenger came to the door, and at a convenient point in the business of the Senate, as the Chair understands, he would be recognized.

Mr. DOLE. I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I should like to make a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MILLER. If the conference report, as I am advised, has left the House by messenger and the messenger has arrived immediately outside the main Chamber door, do I correctly understand that at that point the Senate has not yet received the conference report?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. MILLER. Mr. President, a further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MILLER. In other words, it is not until the door opens and the messenger appears in the door when it is opened that the Chair recognizes that the conference has come over from the house?

The ACTING PRESIDENT pro tempore. The Senator from Iowa has seen on many occasions the messenger standing inside the door, and the Chair did not recognize him until he was able to do so, at a convenient lull in the proceedings.

Mr. MILLER. Did the Chair wish to elaborate on the ruling?

The ACTING PRESIDENT pro tempore. No.

Mr. MILLER. Mr. President, a further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senate will state it.

Mr. MILLER. What is necessary to get the Chair to recognize the messenger as he is standing outside the door, so that he will come in and the Senate will receive the conference report?

The ACTING PRESIDENT pro tempore. The Chair does not believe that that is a proper parliamentary inquiry. The Chair will follow the rules of the Senate; and if the Chair saw fit to recognize someone, he would certainly have had to gain admittance to the Senate Chamber, and there would have had to be a lull in the proceedings so that he could be recognized.

Mr. MILLER. Mr. President, I yield to the Senator from Kansas.

Mr. BYRD of West Virginia. Mr. President——

Mr. DOLE. Mr. President, I have the floor.

The ACTING PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from West Virginia?

Mr. DOLE. If I may inquire in advance, without losing my right to the floor, for what purpose does the Senator wish me to yield? Not for the purpose of adjourning the Senate.

The ACTING PRESIDENT pro tempore. Will the Senator from West Virginia state for what purpose he desires the floor?

Mr. BYRD of West Virginia. Not for the purpose of asking a question.

Mr. DOLE. Under those circumstances, I will discuss further how important this proposal is to the farmers of America. I respectfully decline to yield to the Senator from West Virginia at this time, because I have an impression he may attempt to adjourn the Senate.

I yield to the Senator from Oklahoma to discuss the wheat section of the bill, because winter wheat producers are particularly being damaged by further delay. Inasmuch as the junior Senator from Oklahoma is a bona fide wheat producer, it will be helpful to the Members of the Senate to know what the conference report means to the winter wheat producer.

I yield to the Senator from Oklahoma.

Mr. BYRD of West Virginia. Mr. President, I demand regular order.

The ACTING PRESIDENT pro tempore. The regular order has been demanded.

Mr. DOMINICK. Mr. President, who has the floor?

Mr. SAXBE. Mr. President, I believe I have the floor.

The ACTING PRESIDENT pro tempore. The Senator from Ohio has the floor.

OCCUPATIONAL SAFETY AND HEALTH ACT

Mr. SAXBE. Mr. President, I should like to return to the business that we were discussing, which concerns the question of whether we should proceed to hear the health and safety bill at this time.

AMENDMENTS NOS. 1053 THROUGH 1060

Mr. DOMINICK. Mr. President, will the Senator yield to me?

Mr. SAXBE. I yield.

Mr. DOMINICK. Mr. President, I should like to have the Senator yield, without losing his right to the floor, for the purpose of a unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMINICK. Mr. President, I have before me some eight amendments, together with a printed statement and a brief for each of those eight amendments, with respect to the bill which is now pending before the Senate, or which has been moved to be pending before the Senate. I ask unanimous consent that the amendments be printed together with the explanatory text on each one of them.

The ACTING PRESIDENT pro tempore. The amendments will be received and printed and will lie on the table.

The explanations, presented by Mr. DOMINICK, are as follows:

AMENDMENT NO. 1053

Amendment No. 1053 would establish a separate, independent "Occupational Safety and Health Board" with responsibility for developing occupational safety and health standards. The Board would be a top-echelon body, composed of five members appointed by the President who would designate the Chairman from among the Board members. A background in the field of occupational safety and health would be required for all of the Board members.

The responsibility for developing occupational safety and health standards involves increasingly technical and complex problems requiring professional expertise and competence. An independent Board, whose members would be competent professional experts is, I believe, essential to the effective operation of an occupational safety and health program of the scope contemplated in the bill we are considering.

The separate Board, through its procedures will provide a wide range of judgment required for developing the diverse and varying standards to be applied for the first time on a national scale and on a multi-industry basis.

The job safety and health field is not only wide-ranging, but it involves several Departments of the Federal Government, two of these—HEW and Labor—extensively.

Health has always been centered in HEW: safety in the Labor Department.

I believe it is highly important to make sure no gaps exist between the safety and health areas of our Federal program; it is important to assure that a reasonably uniform level of effort is achieved with both, and important to keep policy consistent between the two. By joining the safety and health features of the program into a cohesive Federal focus, the Board will serve a useful and essential purpose.

Setting up a separate Board with standards-setting powers, with the Labor Department exercising administrative functions also provides for a balanced governmental structure.

The establishment of this Board, Mr. Chairman, is the keystone of this legislation, not only because it provides a nexus between the responsibilities of the Labor Department and HEW, but because it is the principal means of breaking up the undesirable monopoly of functions which some of the members of this body are seeking to create in the Labor Department. The Board would distribute functions, Mr. Chairman, by placing the standards-setting function in the new Board and the function of administering the Act in the Secretary of Labor.

Mr. President, the fact that this legislation is concerned with working men and women is not a valid reason for placing the standard-setting function under the Labor Department. The National Mediation Board, the Federal Mediation and Conciliation Service, and the National Labor Relations Board, for example, are completely concerned with matters pertaining to labor. Nevertheless, these agencies are entirely independent of the Labor Department. So. Mr. President, there is a great deal of precedent for this independent Board which my amendment would establish.

One more point, the members of the Board will not be appointed because they are Democrats or Republicans, pro-management or pro-labor. That sort of approach has unfortunately been too often followed in making appointments to Federal positions. The problems we seek to resolve in this legislation should be cast in political terms; they do not involve issues where there are deep policy differences. Quite the contrary, the problems are almost entirely technological and technical. The appointment of an independent Board whose members must be highly competent professionals in a field where the subject matter is wholly objective and lends itself to genuinely scientific and technical analysis, judgment, and decision, would create the utmost confidence in every segment of the American work community.

AMENDMENT NO. 1054

Amendment No. 1054 deletes the requirement in section 6(b)(5) that the Secretary will establish occupational safety and health standards which most adequately and feasibly assure to the extent possible that *no* employee will suffer *any* impairment of health or functional capacity, or diminished life expectancy even if the employee has regular exposure to the hazard dealt with by the standard for the period of his working life.

This requirement is inherently confusing and unrealistic. It could be read to require the Secretary to ban all occupations in which there remains *some* risk of injury, impaired health, or life expectancy. In the case of all occupations, it will be impossible to eliminate all risks to safety and health. Thus, the present criteria could, if literally applied, close every business in this nation. In addition, in many cases, the standard which

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For actions of November 19, 1970
91st-2nd; No. 185

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HIGHLIGHTS: Senate accepted conference report on farm bill.
House appointed conferees on Agricultural appropriations bill.
House passed trade bill.
House subcommittee approved a clean bill on Animal Welfare Act.
Rep. Cohelan inserted analysis of farm payments recipients.

SENATE

Senate agreed to farm bill conference report.

1. FARM BILL/ After Sen. Ellender and several other Senators expressed criticism and opposition, the conference report on H.R. 18546, the Agricultural Act of 1970, was adopted. This bill now goes to the President. pp. S18523-52

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2. COMMITTEE ACTION. Committee on Commerce voted to report (but did not actually report) the following bills:
S. 4459, amended, establishing a Consumer Protection Agency; and
H.R. 14714, to encourage travel in the U.S. through facilities of the National Park Service. p. D1173

3. ENVIRONMENT. H.J. Res. 1117, to establish a Joint Committee on the Environment, was discharged from further committee consideration. The bill was subsequently passed after being amended to contain the language of S.J. Res. 207, passed by the Senate Nov. 18. The passage of S.J. Res. 207 was rescinded and the bill then indefinitely postponed. p. S18491
Sen. Hruska placed in the Record an address by Dr. A. Gordon Everett at the Nebraska Conference of Environmental Pollution. pp. S18507-8

4. ENERGY. Sen. Burdick called attention to remarks by Robert Partridge in which he discusses the current energy shortage. pp. S18509-10

HOUSE

5. AGRICULTURAL APPROPRIATIONS. Disagreed to the Senate amendments to H.R. 17923, the FY 71 Agricultural appropriations bill, and appointed Reps. Whitten, Natcher, Hull, Shipley, Evans of Colorado, Mahon, Langen, Michel, Andrews of North Dakota, and Bow as conferees. p. H10604

6. FOREIGN TRADE. Passed without amendment H.R. 18970, the Trade Act of 1970. pp. H10521-604

7. COMMITTEE ACTION.
A subcommittee of the Agriculture Committee approved a clean bill on the Animal Welfare Act for full committee action. p. D1174
Committee on Appropriations reported H.R. 19830, the FY 71 HUD-Independent offices appropriation bill (H. Rept. 91-1616). p. H10612
Committee on Public Works voted to report (but did not actually report) S. 1, amended, to establish uniform relocation assistance and land acquisition policies applicable to Federal programs and Federal grant-in-aid programs. p. D1175

8. FARM-CITY WEEK. Rep. Sebelius noted that Nov. 20-26 was "National Farm-City Week" and stated that legislation of the 1970's must be "characterized by a sound rural-urban balance". p. H10608

EXTENSION OF REMARKS

9. FARM PAYMENTS. Rep. Cohelan placed in the Record an article summarizing a study by Charles Schultze which demonstrates that "42 percent of the . . . direct Federal payment . . . goes to the largest 7 percent of farmers with sales above $40,000 per year". pp. E9751-2

Mr. YARBOROUGH. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives on S. 2108 and ask for a conference with the House on the disagreeing votes of the 2 Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. McINTYRE) appointed Mr. YARBOROUGH, Mr. WILLIAMS of New Jersey, Mr. KENNEDY, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. DOMINICK, Mr. JAVITS, Mr. PROUTY, and Mr. SAXBE conferees on the part of the Senate.

Mr. YARBOROUGH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESIGNATION OF HILARY SANDOVAL AS SMALL BUSINESS ADMINISTRATOR

Mr. SPARKMAN. Mr. President, I have just learned of the resignation of Hilary Sandoval as Small Business Administrator. I have known Mr. Sandoval as one genuinely interested in the welfare of American small business, and I hope for him continued success in the future.

I hope that in selecting Mr. Sandoval's successor, President Nixon will appoint a man who is an aggressive, determined advocate for the small and independent businessman of America. I must say that I am concerned about reports which, frankly, are nothing new in Government of a plan to merge the Small Business Administration into the Department of Commerce. I believe it is imperative that the SBA continue as an independent agency which can speak with a free and unrestricted voice in the agencies of Government on behalf of American small business. Naturally, I shall oppose vigorously, as I have in the past, any plan which would impair the independence of the SBA. In addition, I shall look forward to seeking the views of the new Administrator when he is appointed and comes before the Senate for confirmation regarding this most important matter.

Mr. President, I am pleased to make note of the fact that the present occupant of the chair, the distinguished Senator from New Hampshire (Mr. McINTYRE), is chairman of the Subcommittee on Small Business of the Committee on Banking and Currency. I believe that he shares my views.

Many times in the past moves have been made—in fact there was an effort made right at the beginning—to make the Small Business Administration a part of the Department of Commerce.

Congress decided—and decided wisely—at the beginning, that it should be an independent agency to which the small businessmen of America could look. With repeated efforts since that time to place it in the Department of Commerce, Congress has taken the same attitude. I hope that it will continue to do so and that any move to merge the Small Business Administration into the Department of Commerce will meet with failure.

Mr. President, let me say also, in this connection—and I know that the distinguished occupant of the chair, the Senator from New Hampshire (Mr. McINTYRE), is likewise interested in this, as all Senators are, because it applies to the Nation as a whole—that I am sure everyone has seen the statements in the press, to the effect that the Small Business Administration is completely out of funds and that every SBA office in the United States has been closed down, with no ability to function further, due to the fact that the Small Business Administration has reached the limit of the ceiling Congress placed upon it.

This may not seem like much to some people, but I know that there are hundreds, in fact thousands, of small businessmen throughout the Nation today who have applications pending before the SBA, or they want to file applications there, and they cannot do so.

(At this point Mr. GRAVEL took the chair as Presiding Officer.)

Mr. SPARKMAN. Mr. President, there have been instances in my own State in which serious situations have prevailed into which the Small Business Administration has not been able to move in order to help.

I have not talked with the distinguished Senator from New Hampshire (Mr. McINTYRE) about this, but I have intended to do so. I have suggested that the staff of our committee prepare a joint resolution that would increase the ceiling on funds for the SBA. In fact, I will say to the Senator from New Hampshire—I would have talked with him about this matter earlier, had I seen him—that I have suggested a poll be taken in the committee to see whether it cannot be reported unanimously, or reported unanimously by the Senate, too, in order to get action forthwith. I feel certain that the Senator from New Hampshire agrees with that. I hope that he does. He is chairman of the subcommittee and will vigorously push for this in this short session of Congress—I would say, within the next few days.

Mr. McINTYRE. Mr. President, if the distinguished Senator from Alabama will yield briefly, I join in the kind remarks he has expressed as chairman of the Committee on Banking and Currency concerning Mr. Sandoval. I read in the newspaper the other day where he had been hospitalized. We all feel that he has tried hard to do a good job for SBA.

I am aware of the sudden shortage of funds in SBA. We have been in touch with the House committee and I would have no objection to joining with our distinguished chairman of the Committee on Banking and Currency in what he is now suggesting.

Mr. President, the Small Business Administration has a fine record. It has always been, seemingly, under the gun of possible absorption into the Commerce Department. I think that the members of the Committee on Banking and Currency let Mr. Sandoval know very, very strongly at the beginning of the session, when he was approved, that if he felt the warm or the cold hand of the Commerce Secretary on his shoulder, so to speak, he get right up and talk to us, because we want to continue the SBA as an independent, separate, and strong agency.

Mr. SPARKMAN. I thank the Senator from New Hampshire for his comments. Let me say that Mr. Sandoval did cooperate. He promised us in the beginning that he would do everything he could.

It is my understanding that a year or so ago an effort was being made to transfer SBA to the Department of Commerce and Mr. Sandoval said that if such a proposal by the administration was put forward, he would resign from his position as Administrator, that he did not intend to preside over the liquidation of the Small Business Administration.

ORDER OF BUSINESS

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

MR. ELLENDER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURAL ACT OF 1970—CONFERENCE REPORT

Mr. ELLENDER, Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. GRAVEL). Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

(For conference report, see House proceedings of October 12, 1970, pages H9963–H9972, CONGRESSIONAL RECORD.

Mr. ELLENDER. Mr. President, I rise to oppose the conference report. The report was signed by a majority of the Senate conferees—the vote was four in favor and three against—and by all of the House conferees.

Mr. President, I have served in the Senate now for almost 34 years. This is the first time during my career that I attended a conference in which the conferees did not act freely. In my book, the House conferees in particular, as well as the Senate conferees, were more or less dominated by the Executive. So, I say that the conference was not a free conference between the conferees on the part of the House and the Senate.

We spent almost 3 weeks trying to ad-

just the differences between the House bill and the Senate bill. We came to an agreement during that period of time on all of the titles of the bill with the exception of cotton. At least 2 weeks were required for the conferees to be able to adjust the main differences on the titles dealing with corn and other feed grains and wheat. Now and then the big issues dealing with cotton were mentioned but not agreed to—and there was not even an attempt to accept them—until the day before the majority of the conferees signed the report.

Mr. President, I want to be perfectly frank with the Senate in saying that I do not find much difference between the provisions of the present law and the conference report as far as the titles dealing with wheat, corn, and other feed grains are concerned.

With respect to wheat the main difference arises from the fact that under the present law in apportioning acreage the secretary has guidelines; that is, the minimum quota for wheat was not to be less than 1 billion bushels and the acres necessary to produce that amount were, of course, fixed by the secretary, depending upon the annual production of the years before.

Under the present conference report the wheat growers are more or less permitted to plant as much wheat as they choose after setting aside from their cropland not in excess of 13.3 million acres for 1971, and for the next 2 years, that is, 1972 and 1973, the requirement is that up to 15 million acres be set aside. On the rest of the land available the farmers can plant as much wheat as they desire.

Now, under the present law the secretary is authorized to pay full parity for that part of the production for domestic consumption. That provision remains in the conference report, as it is now in the present law except that there is a minimum of 535 million bushels. The loan level is fixed at a minimum of $1.25 a bushel.

Now, with respect to the corn provisions, I believe the present conference report treats corn a little better than it is treated under present law. Under the present law a farmer is paid not to plant in order to reduce surpluses, and the loan level has no minimum fixed figure. Total price support is fixed at a minimum of 65% of parity on the permitted acres. But under the conference report, the minimum loan fixed is $1 per bushel with more or less a guarantee of $1.35 a bushel or 70 percent of parity, whichever is the higher. That 70 percent applies to the first 2 years only, but as to the third year it is reduced to 68 percent. That is better than the provision in the present law which sets the minimum at 65 percent. So all in all I want to be perfectly frank with the Senate that on wheat, corn and other feed grain provisions of the conference report, I think the farmer will fare better.

The only difference—and it may make a great deal of difference because by setting aside only the 13.3 million acres for the first year and 15 million acres the second year they will be permitted to plant all the rest of their land to wheat and receive the payments I have just suggested—is that it may mean that wheat will move from the areas of the country where it is planted in large quantities and it is one of the main crops, to States where they plant wheat now and then simply to have the ground occupied.

As I said, that is a difference and it may be that unless the farmers take care and do not devote too much land to wheat, we many end up with surpluses which will doubtless affect the prices very seriously, as we know has happened in the past.

Mr. President, when we enacted the 1965 act the purpose of that bill was to pay farmers not to plant in order to reduce enormous surpluses that were then in existence in all of the three commodities that we are dealing with at present. In 1965 we had almost 85 million tons of corn and other feed grains, which was far in excess of the normal carryover. At the end of 4 years under the present law that surplus was reduced to around 40 million tons, which is considered a reasonable carryover.

In respect to wheat, we had a surplus of 1.3 billion bushels, as I recall the figures. Today that surplus has been cut down to about 900 million bushels, which is considered only a little more than a normal carryover.

In respect to cotton, in 1966 the carryover was almost 17 million bales. Now it is only about 5.7 million bales.

The law that is now on the statute books was enacted by us with a view to reducing those surpluses to normalcy and it has more or less succeeded. In order to attain that goal, it was felt that it was better to pay the farmers not to plant than to have them plant and then increase the surpluses and pay storage costs on the carrying of such surpluses.

The bill as provided in the conference report reverses that law in that, as to the three crops that we are considering, the aim is not to pay when the land is not planted to the crop. This, of course, applies primarily, I may say, to cotton, because, in the case of wheat, corn, and other feed grains, those commodities are planted on a voluntary basis. No effort is made to curtail the planting as to any of the three crops. The farmer may go into the program if he desires, without any compulsion.

This is a significant change in the case of cotton, which has been under controls for many years now—over 30 years. The production of cotton about 30 years ago was on 42 million acres of land. The present law has established a minimum national acreage allotment for cotton of 16,300,000 acres.

Being a realist, when I presented the title pertaining to cotton to the committee, I felt it was necessary to cut back on the minimum acres to be planted to cotton for the reason that less cotton was being used than heretofore. Today, I am sorry to say, only about 40 percent of the fiber that is used in the textile mills is cotton, in contrast to about 60 percent of manmade fibers.

Realizing that, I suggested to the committee that we cut down the amount of acres to be planted to cotton from 16.3 million acres to 14.5 million acres with a pay base of 12.7 million acres. The Senate enacted that provision in the cotton bill.

In the conference, after quite a bit of deliberation, we had virtually agreed to reduce that figure to 11.5 million acres, which would have meant a decrease in cotton acreage from 16.3 million to 11.5 million, or almost 5 million acres less than the law now provides.

When the time came for the conferees to actually deal with the cotton provision, I made a proposal to the conference which I thought should have carried, because the day before the conference report was finally adopted or agreed to, the House conferees, I am sure, with the exception of one Member who was absent at the time, would have taken the 11½ million acre provision. I felt that that was a good compromise, and I took that position. When I submitted it the next day, in the presence of the ranking Republican House Member, he banged on the table and said that he would not do it, and he stroked his breast and said:

I represent the President and the administration, and we shall not consider that part of the agreement.

Whereupon, I stated to the conference that I thought that was a minimum; that we should have it understood that cotton would be planted on at least 11½ million acres for the years 1971, 1972, and 1973.

Well, I did my best to carry through that agreement, particularly in view of the fact that the expenses that would be incurred by that proposal would be no greater than what the House bill provisions would result in. But instead of submitting it and discussing it, as is usually the case, one of the conferees on the Senate side, desiring a bill, moved that the Senate conferees adopt the House provisions on cotton, particularly with reference to the amount of acres to be planted.

The House provision provides for 11½ million acres for the first year—that is, 1971—but for the years 1972 and 1973 it is left entirely to the discretion of the Secretary of Agriculture.

To add insult to injury, there was a provision in that bill which provided for an open-end planting as to cotton, without restriction, but with loans on this overplanting to be made by the Government to those who overplanted.

Mr. President, in my humble judgment—in fact, I am sure of it—by the end of 1971, after the first year of this bill being in effect as written, we could provide for 11.5 million acres of cotton to be planted, but this open-end planting would probably add two to three, maybe four million acres of land to be planted in cotton, and that, of course, would cause the surplus to increase overnight. Should that happen, as I am sure it would, then in 1972 the Secretary of Agriculture is empowered to lower the acreage to whatever figure he deems necessary in order that the surplus not be over a certain amount.

Under that provision of the law, where the Secretary of Agriculture is permitted to cut back on the acres, it is entirely possible that the acreage would be cut

back to 8.5 or 9 million acres of cotton instead of the 11.5 million acres that I fought for. That will mean disaster to the cotton growing section of the Nation, the South.

As I have said, Mr. President, I did all I could to have the conferees adopt a more sensible bill—one in which the Secretary would have certain guidelines to go by. I submitted that I was not against open-end planting if the planters of the cotton were not protected by the Government by the way of loans, but I was overridden in that. They would not accept that. Instead, the open-end planting was voted by the majority of the Senate conferees, so that if this provision is adopted, it simply means that the larger farmers will be able to plant all they wish, and no doubt be protected by Government loans. If that occurs, the Government will again be loaded down with surpluses, which we have tried to get rid of for the last several years. As a matter of fact, to get rid of the surpluses that we accumulated prior to 1965 required payments of almost $4 billion.

Reduced acreage, I repeat, would be disastrous to the cotton growing South. It would mean that many of the smaller farmers would not be able to make a go of it, and that many of them might be compelled to go on the relief rolls. I have no doubt that that is going to occur, and I have a table here, Mr. President, to indicate the large number of farmers who are in that position. I shall not take the time to read them, but I simply ask unanimous consent that they be printed in the RECORD at this point, just to indicate the large number of small farmers who will be affected under this cotton program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NUMBER OF PARTICIPATING FARMS, AND NUMBER OF FARMS WITH BASES OR ALLOTMENTS OF 10 ACRES OR LESS, 1969

Commodity	Number of participating farms	Number of farms with bases or allotments of 10 acres or less	Percent 10 acres or less is of total
Feed grains (corn, grain sorghum and barley)	1,588,021	353,735	22.2
Wheat	953,318	304,829	31.9
Cotton	475,545	250,037	52.5

Mr. ELLENDER. As I said, they will become, in greater or lesser degree, unable to produce enough to sustain their families; and we will find that it would have been much cheaper for the Government to agree to the provision that I suggested. If that provision had been adopted, I believe that the cotton producers of our country could have made a go of it, and produced enough cotton to provide an ample amount for our domestic use and export needs. As it is now, the large farmer, who is able to borrow, plant a large acreage, and put a lot of fertilizer on is going to plant in excess of our requirements.

And, Mr. President, I am reminded of something else: There is no doubt in my mind but that a large number of cotton farmers in the West, and some in the Delta, are able to sell much of their cotton in advance of planting. They are large enough to produce a certain length of staple that the trade wants, and they can sell their cotton in advance at probably 24 to 28 cents a pound, and make a profit, particularly when the Government protects them on a good deal of the acreage which they will receive from the 11.5 acre national allocation.

The smaller farmer is unable to cope with that situation. It is going to mean that we may be faced with more surpluses, and that, in my mind, will be very costly to the Government.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. ELLENDER. Mr. President, I did all I could to have a reasonable bill presented from the conference to the Senate; but as I say, I was taken by surprise. We usually confer with one another. The Senate conferees are supposed to support the Senate version. But in this case, there was no meeting called to make a determination as to what to do.

Mr. President, an hour before the motion to accept the House version was made, I did have a conference with the distinguished Senator from Mississippi (Mr. EASTLAND), and he agreed to the suggestion I made to have the minimum 11.5 million acres for 3 years. But within a few hours thereafter, Representative PAGE BELCHER, who was the ranking Republican on this conference, actually dominated the conference. I am sure that except for him, the House conferees would have accepted the proposal I made. But he got up and hit his chest and said:

I represent the President and I represent the Secretary of Agriculture, and we are not going to accept this.

Soon thereafter, the motion was made to adopt the House version as to cotton.

For that reason, Mr. President, I did not sign the report, the junior Senator from Georgia (Mr. TALMADGE) did not sign it, and the distinguished Senator from North Dakota (Mr. YOUNG) did not sign it. So that we have a conference report today that is signed by four of the Senate conferees, which is a majority, and all the House conferees.

I submit that, insofar as I am concerned, I shall not support nor vote for this report.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point certain correspondence from the Secretary of Agriculture and also Senate conferees' proposals on various programs along with the Secretary's reply thereto.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF ASSISTANT SECRETARY,
Washington, D.C., September 30, 1970.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your request yesterday for an estimate of the costs of a cotton set-aside program under which the national base acreage allotment would be 12,250,000 acres for 1971; 11,750,000 for 1972; and 10,800,000 acres for 1973.

Our estimates of the costs are as follows:

	1971	1972	1973	Total
Payments	903	866	796	2,565
Total costs	1,169	1,132	993	3,294

Sincerely,

CLIFFORD M. HARDIN,
Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 30, 1970.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate

DEAR MR. CHAIRMAN: This is in response to your request for the provisions which we propose to establish for the 1971 set-aside program for wheat.

We would establish for the 1971 crop of wheat—

(1) A national domestic acreage allotment of 19,700,000 acres.

(2) A set-aside requirement of 75 percent of the farm domestic allotment which we estimate would result in an effective set-aside of 13,300,000 acres.

(3) A loan rate of $1.25 per bushel.

As indicated to you yesterday, we would have no objection to these provisions being written into the legislation.

Sincerely,

CLIFFORD M. HARDIN,
Secretary.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., September 30, 1970.

Hon. ALLEN J. ELLENDER,
Chairman, Senate-House Conference on H.R. 18546, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request for costs estimates, analyses, and suggestions for amendments with respect to H.R. 18546, presently being considered by your Conference Committee, we offer the following for your consideration.

PROPOSED AMENDMENTS

I. Title IX—Rural development

It is recommended that changes be made in title IX of the Senate bill to eliminate objectionable reporting requirements contained in title IX whch, we believe, are premature in view of current efforts under way by this administration to develop national goals and objectives for economic development and population distribution. Further, it is suggested that section 902 relating to the location of Federal facilities be revised to make it clear that, while consideration should be given to less densely populated areas for the location of such facilities, due consideration should also be given to such factors as management efficiency when arriving at decisions about whether such facilities should be located in less densely populated areas as compared with metropolitan areas.

Following is a proposed language change for section 902 on pages 128 and 129 of the Senate bill:

Location of Federal Facilities

Section 902. In that it is the intent of Congress to minimize further impaction on already overcrowded metropolitan areas, it is requested that the President and the heads of all executive departments and agencies of Government give due consideration when locating new offices and other facilities to their impacts on high density population areas. Consideration also should be given to areas or communities of lower population density which have the capacity for growth and development in the absence of other factors which may require the loca-

tion of such facilities in high population density areas.

Planning Assistance

Section 903. (Strike lines 15 through 24 on page 129 and 1 through 4 on page 130 and insert in lieu thereof the following (all new language)):

The Congress is equally concerned that planning assistance provided through other Federal programs be administered so as to complement the planning assistance provided by the Departments of Agriculture and Housing and Urban Development. These programs have an unprecedented opportunity to aid State and local governments in the preparation of area growth goals and strategies which would have beneficial impacts for less densely populated areas as well as for population centers which have a demonstrated capacity for growth and development. It is the intent of Congress that these programs contribute substantially to achieving a satisfactory balance of opportunities and population within the United States.

(Strike everything after line 4 on page 130 through line 5 on page 132 and insert in lieu thereof the following:)

Federal Assistance Programs

Section 904. The development of area growth plans and strategies has limited utility in the absence of a commitment of resources to aid in fulfilling those strategies. The Federal Government has an unparalleled opportunity to complement the efforts of State and local governments through provision of technical assistance and various grant-in-aid and loan programs in directing these resources in such a way as to reinforce and facilitate area development efforts. A firm commitment to this end by all levels of government is required if this Nation is effectively to ensure that opportunities for an acceptable quality of life is available to all of its citizens whether they reside in major metropolitan centers or in less densely populated areas.

The Congress urges that the President and all department and agency heads give the highest priority to the development of effective means for achieving these objectives. Their attainment will assure a substantially improved standard of service under a broad range of government programs for many families now living in less densely populated areas who lack services of a quality equal to those presently available to many of this Nation's citizens.

COST ESTIMATES

II.

1. Maximum Wheat Set-Aside—15 million acres

There would be no budgetary impact from this amendment for the 1971 crop based on present planning by the Department which calls for a set-aside of 75 percent or 14.8 million acres. After allowing for non-participants, the expected realized set-aside would be 13.3 million acres.

Whether or not the 15 million acre maximum would have budgetary impacts for the 1972 and 1973 crops is contingent on production and use in those years. Either unusually large production or decreases in use could result in additional CCC acquisitions. The greatest chance of this occurring would be on the use side through a sharp reduction in exports or domestic livestock feed use. Feeding of wheat to livestock will be interrelated with feed grain production, and particularly the evolution of the Southern Corn Leaf Blight. Over a three-year period, it is quite possible that the corn blight problem will be arrested. If so, the loan rates for wheat and feed grains could again effectively determine market prices. Given this situation and if minimum loan rates of $1.25 for wheat and $1.00 for feed grains (corn) are included in the bill, quantities of wheat feed could be cut sharply. This is because the $.25 price differential would price large quantities of wheat out of feeding. The budget impact could easily reach $75–$100 million annually for the 1972 and 1973 crops.

We would prefer to permit a larger set-aside, on the order of 17 to 18 million acres. With a maximum of only 15 million acres, we firmly believe that the corn-wheat price differential should be reduced to no more than $.20, preferably $.15. This would help insure that wheat would enter feeding channels rather than CCC stocks in the event that heavy grain supplies emerged for the 1972–1973 crop years.

2. Cotton Base Acreage

Compared with the 11.5 million acre base in the House bill, the bases suggested by Senator Ellender yesterday would lead to greater cotton payments in 1971 and 1972, and lower payments in 1973 with a support of 35c per pound.

Change in base acreage	Yield	Payment rate (cents)	Payments
1971: 12.25—11.5=0.75	520	15.5	$60,450,000
1972: 11.75—11.5=0.25	520	15.5	20,150,000
1973: 10.80—11.5=0.70	520	15.5	—56,420,000
Net additional cost			24,180,000

We understand that the acreage set-aside corresponding to Senator Ellender's bases would be the difference between 14.5 million acres and the base. This would be 2.25 (1971), 2.75 (1972), and 3.7 (1973). In every year, the set-aside would be less than the 3.8 million acre maximum set-aside (33.3 percent times 11.5 million acres) in the House bill. Over the three years, 2.7 million additional acres could be set aside under the House bill. At $35 per acre, $94.5 million in budget outlays would be required to achieve a set-aside comparable to the House bill. Combining the higher first year payments and the lower set-aside would result in additional first year outlays of as much as $115 million.

The other potential problem with fixed acreage bases, such as that suggested by Senator Ellender, is that they would not permit flexibility to reduce cotton production if CCC stocks become excessive. Stock accumulation is not a problem at present, but this situation might recur by 1973. Thus, we would be favorable to a provision similar to the House bill which allows the base to be adjustable and at the same time maintains the total cotton payments at a fixed amount each year.

3. Long Term Land Retirement

Title VIII, section 801, authorizes a long term land retirement program which would permit the Secretary of Agriculture to sign long term land retirement contracts with producers on up to six million acres annually. As I indicated yesterday before your committee, unless the authorizing legislation specifies that this program be administered in such a way as to provide concrete assurances that the cost of this program would be offset by at least on equivalent amount of savings under the annual commodity programs, the administration would be opposed to enactment of this program.

4. Cotton Market Development and Research

Title VI, section 610, authorizes the Commodity Credit Corporation to spend up to $10 million annually for the conduct of cotton market development research or sales promotion programs. This would result in added budget outlays which would be unacceptable to this administration. However, if this section were amended to provide for a *deduction* from payments which would otherwise be made to cotton producers in an amount sufficient to finance this program, we would have no objection to its authorization from a budget standpoint.

5. Cultural Exchange Program under P.L. 480

Title VII, section 703, would authorize making foreign currencies available for a cultural exchange program without appropriation. We understand that FY 1971 outlays would amount to $5.8 million under the 2 percent limit and $14.5 million under the 5 percent limit set forth in subsection (a) of this section. This administration is clearly on record in its opposition to backdoor financing. Consequently, we would oppose the provision in subsection (b) which authorizes use of foreign currencies for a cultural exchange program without appropriation.

6. Anniversary Loan

We earlier estimated the direct budget impact of adopting the so-called anniversary loan could range up to $5 to $10 million annually. These costs woud be highly variable, depending on CCC acquisitions of cotton under loan each year. The additional storage costs might average under $5 million annually. This could be larger if the provision increased market prices and decreased use. While we recognize that an anniversary loan could conceivably have a favorable budget impact under the House bill if it evens out seasonal price declines during the first five months of the marketing year, in recent years cotton prices for the first five months were higher than average marketing year prices. Consequently, we believe that a favorable impact is quite unlikely.

In view of the foregoing, the administration opposes enactment of this provision.

I greatly appreciated the opportunity of appearing before the Conference Committee, and would welcome the opportunity to supply any additional information you or the Committee might desire.

Sincerely,

CASPAR W. WEINBERGER,
Deputy Director.

SENATE CONFEREES PROPOSAL ON WHEAT

1. (a) 19.7 million acre domestic allotment for 1971

(b) A 535 million bushel domestic wheat floor for 3 years.

2. Set aside maximum at 15 million acres (assuming full participation) for 1972–73 and at 13.3 million acres (not assuming full participation) for 1971.

3. $1.25 loan floor for three years—1971, 1972 and 1973.

4. Discretionary authority for feed grain substitution in the event acreage restrictions are imposed in 1972 or 1973.

5. No more than 55 percent set aside required on summer fallow.

SENATE CONFEREES PROPOSAL ON COTTON

1. 11.5 million acre minimum national base acreage allotment each year.

2. House provisions on sale and lease, but with retention of present limitation of 100 acres over 1965 allotment.

3. Payments based on the difference between the loan level and the greater of 35 cents or 65 percent of parity.

4. Loan level as set out in Conference Committee Print No. 2 (90 percent of 2 year average world price).

5. Maximum set-aside each year of 18 percent of farm base acreage allotment.

6. Open-end planting without loans on the excess.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: The attachments are in response to proposals made by the Senate Conferees dealing with the Cotton and Wheat sections of the agriculture legislation being considered by the Senate and House Conferees.

An additional attachment dealing with other provisions is also enclosed.

It remains the conviction of the Administration that any significant increase over the cost of the bill as passed by the House would be unacceptable both to the House and to the Administration.

Sincerely,

CLIFFORD M. HARDIN,
Secretary.

COTTON

1. 11.5 million acre minimum national acreage.

Using the actual 1969 domestic consumption and exports of 10.7 million bales as a basis to start from, 11.5 million acres as a minimum national base acreage allotment increases the budget cost $310 million for the two years 1972–73 compared to the House bill; stocks would increase from 6 to 9.6 million bales by the end of the 1973 crop year. If domestic consumption and exports were to increase to 12 million bales the added budget cost would be $133 million resulting from a stock buildup from 6 million to 7.3 million bales by end of 1973 crop year.

2. Sale and lease.

No budgetary impact, but the 100 acre limitation provision is an unnecessary restriction on cotton producers.

3. Loan level plus payments equal to 35¢ or 65% of parity.

Budget impact of between $38 and $72 million per year.

4. Loan level related to past 2 years.

No budgetary impact. Prefer 90 percent of estimated world price because that is related to the period in which sales are to be made.

5. Maximum set aside 18%.

Has budgetary impact of $60 million per year.

6. Open end planting without loans on the excess.

We would like cotton to be treated the same as wheat and feed grains where loans are offered to all production of participants without limitation.

WHEAT

1. (a) 19.7 million acre domestic allotment for 1971.

(1) No budget impact.

(2) A 535 million bushel domestic wheat floor for 3 years. No budget impact.

2. Set aside maximum at 15 million acres (assuming full participation) for 1972–73 and at 13.3 million acres (not assuming full participation) for 1971.

The budgetary impact between assumed full participation and not assumed full participation could be about $37 million per year. If a maximum of 15 million acres set aside is included it must be an effective maximum.

3. $1.25 loan floor for three years—1971, 1972 and 1973.

The inclusion of $1.25 loan floor may add $20 to $130 million per year to the cost of the wheat program. The exact budgetary impact will be determined by the extent to which wheat and feed grain loan rate differentials influence market prices and in turn the volume of wheat moving into feed channels; also whether the additional stocks of wheat are taken over by CCC or exported through the payment of export subsidies.

4. Discretionary authority for feed grain substitution in the event acreage restrictions are imposed in 1972 or 1973.

No budgetary impact.

5. No more than 55 percent set aside required on summer fallow.

No budgetary impact if maximum set aside is effetcive rather than gross as explained in item 2.

OTHER PROVISIONS

1. Seventy-five percent of parity would increase feed grain supports above the $1.35 guarantee every year of the program. With 70 percent of parity and changes in factors affecting the parity formula, the guarantee would likely reach $1.40 in 1973. The additional budget outlays could be up to $170 million a year when market prices were under $1.08 per bushel. The upper limit that would insure no budgetary impact is 68 percent of parity. If payments were forced up, program provisions would have to be altered to require a higher set-aside percentage.

2. Changes should be made in Title IX of the Senate bill to eliminate objectionable reporting requirements contained in Title IX. These requirements are premature in view of current efforts underway by this administration to develop national goals and objectives for economic development and population distribution. Further, Section 902 relating to the location of Federal facilities should be revised as proposed in the OMB letter to Senator Ellender dated Sept. 30, 1970.

3. The Bee Indemnity program would have estimated budget outlays of $25 million in FY 1972, and $4 million in subsequent years. Initiation of such a program would open the possibility of extending indemnity programs to several additional situations where the Federal Government is not directly responsible.

4. Extending the dairy indemnity program to manufacturers of dairy products would set a precedent for double coverage of losses. The additional budget outlays are impossible to estimate with confidence but they could well be significant.

5. Title VII, Section 703, would authorize making foreign currencies available for a cultural exchange program without appropriation. FY 1971 outlays are impossible to estimate with confidence but they could well be significant.

6. Many of the provisions in the Senate bill reduce the flexibility needed to avoid surpluses while maintaining farm income at acceptable budget cost.

7. Research and market development—Cotton.

Any figure being considered that does not come out of producers payments has a budgetary impact.

8. Small farms—Cotton.

Budgetary impact of $30 million per year.

9. Anniversary loans—Cotton.

Budgetary impact through additional storage costs of $3 million per year.

Mr. ELLENDER. Mr. President, I submit that the conference report on the Agricultural Act of 1970 will literally gut cotton producers' income potential for the effective years of the bill. Producers will be forced to accept $10.25 per bale less due to the price support reduction from 37.05 cents per pound to 35 cents per pound for those participating in the program. They will also take a $3.65-per-bale reduction from the loss due to net weight trading without the producer getting compensated in price for this reduction. Further, the base acreage allotment of 11.5 million acres is less than producers planted the last 2 years—11.89 and 11.97 million acres planted in 1969 and 1970. The farm allotment for 1970 was set at 17.1 million acres and the allotment base in the conference report is reduced to 11.5 million acres which represents a reduction of cotton allotment of 5.6 million acres. This will result in a loss to producers of a very salable item—cotton allotments—which was incorporated in prices paid for their land. Using the 1970 estimated U.S. average yield of 470 pounds per acre and figuring cotton allotments worth 20 cents per pound—which is common in the market—we arrive at a value of $94 per acre. Now the reduction proposed is 5.6 million acres, which means producers are absorbing a $526.4 million loss on cotton allotments they will no longer have. Yet, they will still be left with the high-valued land that cotton allotments were on, still to be paid for in some instances, or as a farm cost already incurred in others.

The bill authorizes State committees to reserve up to 2 percent of its State acreage allotment to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships. In the past, extra acreage was allocated in the national allotment to handle such cases, but in this bill the States will have to deduct these reserves directly from their State base acreage allotments.

The bill does away with marketing quotas, which is hard to understand, since in the past producers have voted, in the referendums held, to decide whether to have marketing quotas or not by a 92-percent or greater margin to keep marketing quotas. Yet, this bill legislates marketing quotas out of existence even though producers have always maintained they wanted marketing quotas when given a choice. In essence, Congress is forcing on producers what they have overwhelmingly rejected in the past.

The Secretary of Agriculture is authorized to set the national base acreage allotment at 11.5 million acres for 1971 and for 1972 and 1973 at such levels as the Secretary determines necessary to maintain adequate supplies. Tied into this is the fact that producers can plant outside their base allotment—open-end planting—when they comply with the set-aside requirements for participation in the program. This leaves it wide open for surplus accumulation of cotton under the bill. Therefore, in 1972 and 1973 the Secretary of Agriculture may use his authority to lower the base acreage allotments below the 11.5 million acres of 1971. Producers who complied and stayed within the program and did not plant open end will receive base acreage allotment cuts in 1972 and 1973 along with everyone that planted some open-end acreage. In effect, the Secretary of Agriculture can carry out his plan to eliminate all cotton allotments without paying producers a penny for the allotments. Here again, the producers are forced to shoulder millions more dollars of losses by having cotton allotments they purchased at high values become worthless.

Already, rumors are widespread throughout the cotton areas that acreage planted outside base allotments will be counted when figuring acreage history for the farm program in 1974. Corporate ownership has already made it clear to tenants that they want them to plant outside their allotments if they wish to continue planting cotton in order that corporations will be in a position to gain acreage history under a new farm bill in 1974.

This bill attempts to do by law what

economics could never have done. It strikes at the very backbone of American agriculture, the family-type farm, and lets the corporate-type farm that enjoys many lucrative tax writeoffs become the dominating force of American agriculture. Corporate-type farms, who have other income sources, are allowed to speculate and possibly take losses on the farm whereas the family-type farm with much less capital at his disposal has to make it on his farm or he is through.

A catastrophe in agriculture, such as might result from a Government withdrawal of price and production stabilization undertakings, could cause great unemployment in the industries that supply farmers annually with billions of dollars worth of machinery, fuel, fertilizers, chemicals, and other materials essential to production.

We might very well see the destruction of the family farm and the succession to an agriculture owned and operated by corporations. What could the consumer expect to pay for food and fiber if corporations take over agriculture—with these corporations administering the prices of food, demanding and getting the price they set at the farm gate.

This bill could be the major impact to span the beginning of a great depression. Remember, agriculture generally leads the way into a depression and this bill could so cripple agriculture as to start us rolling down this path.

Today, farms face continually increasing production costs due to increased costs of goods they buy. It becomes imperative that a producer utilize all the acreage he can to return him some form of revenue. Therefore, the set-aside proposal of not to exceed 28 percent as a requirement to participate in the program is again forcing the producer to receive no income off acreage equal to 28 percent of his base cotton allotment. This, and this alone, is enough to trigger a depression in agriculture and could be set in motion solely by the whims of the Secretary of Agriculture.

Also, it is left up to the Secretary of Agriculture to decide if other crops could be planted on the set-aside acreage. This proposal will work an additional penalty on producers and further burden southern cotton farmers which will have the effect of substantially and unnecessarily increasing the cost of production for cotton at a time when the emphasis should be placed on reducing production costs. Moreover, I am told that the farmers in the South and southeast will not be allowed to count the skipped area in their historic 2–1 pattern as "set-aside" acreage, while farmers in more productive areas of the country who historically have used 2–2 and 4–4, et cetera patterns will be permitted to count their skipped areas as "set-aside." This inequity could be corrected, but it is my understanding that Secretary Hardin has announced his decision to deny southern producers the relief he proposes to grant other skip-row farmers whose larger fields, more fertile soils, flatter lands and larger equipment permits them to use other patterns. It would seem this decision is designed to penalize those already less favored by nature and geography.

The Government, by use of around $3 billion in various subsidy payments, has held farm prices of food and fiber below prices the farmer received over 20 years ago. The farmer today generally has been able to exist through use of Government payments to stabilize the farm economy. However, this bill will limit the subsidy payments to producers and put machinery in motion to force the market price down to even lower levels with no way for producers to bail out. We estimate a market price for cotton falling toward the 19-cent level and this gives the mills an even greater opportunity to get cheap cotton. They get a cheaper raw material to combat higher operational costs, but the producers get lower farm prices and reduced subsidy payments to fight their higher production costs.

Gentlemen, we had better take a long hard look at where we are forcing the agriculture sector of this Nation to go and where the Nation as a whole can very easily follow.

The bill contains a provision for research and promotion money in the amount of up to $10 million to be obtained from savings effected due to the statutory limitation imposed. If this will be used as a matching fund to the $1 per bale checkoff producers of cotton already have going, then it would be beneficial because actually it is money producers should have received. However, the second $10 million which the Secretary of Agriculture can authorize to be paid through deduction from producers' price-support payments if they are above 15 cents per pound is in effect an extra tax imposed upon producers which directly affects his income he would receive and which producers have had no voice in saying they wanted and they do not have any chance to get their money back. The provision for the second $10 million was not in the House or Senate version of the farm bill; yet, it was added in conference.

The large amount of flexibility given the Secretary of Agriculture in this bill without any clearly defined guidelines makes it virtually impossible to inform producers what kind of program they will be under and how it will affect them. I cannot see any way we can pass such legislation until a definite understanding of key points in the bill are interpreted for us.

Efficiency of the U.S. farmer means that productivity of the American farmworker in the 1960's increased by about 6 percent a year, while in other industries the increase was only 3 percent. One farmworker today produces food, fiber, and other farm products for himself and 44 other Americans. Today 1 hour of farm labor produces seven times as much food and other crops as it did 50 years ago. Production sufficient to feed over 200 million people today uses only one-third the amount of labor required to meet the needs of only 91.9 million people in 1910. Output per man-hour on the farm increased by 83 percent from 1957–59 to 1969.

A look at the increased efficiency of American agriculture over the years is more impressive still when compared with figures from other countries. In 1968, when only 5.2 percent of our population fed, clothed, and helped to house us; in Canada the figure was 11 percent; in Denmark, 15 percent; in France, 18 percent; in West Germany, 11 percent; in Japan, 24 percent; and in the U.S.S.R. 32 percent. The gap becomes even wider with the realization that none of these nations produces the abundance and the amount of export commodities we do.

These increases in production and improvements in production efficiency have been reflected in better buys for consumers at the supermarket. Between the base-period years of 1947–49 and 1969 when the price of all items on the cost-of-living index rose by 57 percent, such things as rent increased by 63 percent and medical costs increased by 124 percent. However, in that same period, food costs rose only 48 percent. In 1969 the American consumer spent only 16.5 percent of his take-home pay for food. That represents a substantial drop from 20 percent in 1960. The average consumer in Western Europe spends 25–30 percent of his income for food; in the U.S.S.R. the figure is 45–50 percent; and in Asia the purchase of food takes 75–80 percent of per capita income. For 1 hour's factory labor Americans can now buy nearly two times as much steak, twice as much bacon, and almost twice the amount of milk as they could in 1948.

For his expenditures in 1969, the American consumer received food products of higher quality, higher nutritional value, and of a wider variety of processed and packaged forms than ever before. A higher standard of living, combined with increased efficiency of marketing, packaging, and transportation methods allowed Americans to purchase preferred food items—5.4 percent more livestock products, 42 percent more poultry, and 35 percent more beef than 10 years ago.

Not only is there more food at lower prices, but the food is better. Extensive research and food processing innovations have given the consumer new food products of higher nutritional value. Genetic selection of livestock has produced leaner, more flavorful meats and higher milk production. Combined efforts of producers and the Federal Government insure that meat, poultry, and dairy products will be inspected and graded and sold with a guarantee of purity.

Much of consumer benefit is a result of agricultural research. Work with fiber processing has produced cottons that are wash and wear and wrinkle resistant. Many wools can now be machine washed. These developments not only save the consumer money on cleanig bills, but also save him time. Newly developed farm equipment now picks fruits and vegetables faster, cutting production costs. New machinery frees labor and reduces damage to crops at the harvest stage thereby reducing wastes and yielding higher production levels. Research in irrigation and conservation practices help to preserve America's natural resources and increase effective use of much potential cropland.

Increased production has meant abundances of food products with which we can support food programs to help needy Americans. The school lunch, school milk, direct distribution, and food stamp programs are only some of many projects which are feeding and nourishing millions of American children and adults. Abundant production has enabled us to build essential reserves which can be called upon in case of emergency.

I ask you, how can we pass legislation that not one farmer indicated through testimony before the Senate Agriculture Committee Hearings that he favored as a solution to the problems of agriculture. How can we put such a program on these producers who have given our American consumers the best quality goods at lowest prices over the years.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. McGOVERN. Mr. President, I want to express the appreciation I feel, as a member of Senator ELLENDER'S Committee on Agriculture and Forestry and also as a representative of an agricultural State, for the candor and the wisdom with which the Senator from Louisiana has addressed the Senate today. I wish that more Senators had been in the Chamber to hear what Senator ELLENDER has had to say, because never has a more honest, candid, and straightforward statement been made on a pending agricultural matter than the one he has just made.

Those of us who are familiar with what has happened on this bill in the committee, and after it went to conference, know that he tells the truth when he says that the amendments that were added in the Senate to the House-passed bill were blocked almost entirely by the intransigence of a few members of the conference who claimed to be speaking for the administration.

I think Senator ELLENDER has done everything that was humanly possible to save the income support provisions in this bill which were added by the Senate before the measure went to conference.

I have already made clear my opposition to this conference report. If the conference report were to be adopted and to become law, I think it would result in a drop in income over the next 3 years of approximately $1.25 billion to the farm producers of this country. Not only would that be a devastating blow to the agricultural sectors of the Nation, but also, it would further aggravate the flow of people out of the rural States into already overcrowded cities.

It is my understanding that if the conference report is rejected, the distinguished Senator from Louisiana, the chairman of the Committee on Agriculture and Forestry, will then move that Senate conferees be named to further insist on the Senate bill as it went to conference some weeks ago.

Is my understanding correct?

Mr. ELLENDER. That is what I expect to do, yes.

Mr. McGOVERN. I commend the Senator for that move. It is a step that is in the national interest, it is in the interest of the farmers of this country, it is in the interest of all of us who are concerned about the economy of our Nation, and it will keep faith with the food producers of this country.

So let me again commend the Senator on the leadership he has provided. I am very proud to follow him in this very important matter.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Mr. President, with respect I congratulate the distinguished senior Senator from Louisiana for the noble effort he has made with respect to this bill not to follow those who are primarily interested in the retailers, the processors, and the big farmers; and also for his superb effort to give additional consideration to all those who make their livelihood primarily from cotton, feed grains, and livestock. I would associate myself also with the remarks just made by the distinguished Senator from South Dakota.

Mr. President, one of the rare privileges of serving for 18 years in this Senate has been my relationship over many years with one of the great men in my experience, great from the standpoint of both character and ability. I refer to the distinguished chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana. This dialog today is but further evidence of his sympathy and realism when it comes to those people who do not have much in the way of great lobbies around this town.

During the past year, Members of this body came into my State from other States—fortunately, in the main, first-termers in the Senate—and attacked me for backing the position of the senior Senator from Louisiana. They accused me of being against farmers because of my trying to hold up this farm bill in the interest of Missouri farmers. Just why some people would come into Missouri and defend their selling out the feed grain and cattle and hogs people in their own State by attacking our desire to have a better farm bill is a mystery to me, and one that I do not intend to forget.

Mr. President, the proposed agricultural act of 1970 (H.R. 18546), as brought back to the Senate by the conferees, is an incredible farm bill. It is not only damaging to farmers, but also to the United States.

This conclusion is my own conviction. It is also that of scores of farmers with whom I visited in recent weeks; and, perhaps most important, of all the farm leaders in my own State of Missouri, as well as those around the Nation.

Those farm leaders, and those farmers with whom I talked, emphasized that this bill now before us is both unfair and inadequate; and is a bill which is certain to lower farm income.

When people of agriculture view the likelihood of this lower income, and weigh that loss against their ever increasing farm costs—costs which have gone up $10.5 billion in the past 10 years alone—they become totally disillusioned with the inadequacy of this bill; and with the thought that it might be passed.

Farmers especially resent these incredible efforts by Secretary of Agriculture Hardin to junk the parity concept in connection with price support payments and loans.

When H.R. 18546 passed the Senate, it contained a price support provision for corn of $1.35 per bushel, or 75 percent of parity, whichever is greater—other feed grains would be in relation. But primarily due to the pressure of the Secretary of Agriculture on the conferees, they voted to lower this figure of 75 percent of parity to 70 percent; and that decision carried with it authority for the Secretary to further drop the 70 percent of parity figure to 68 percent in 1973, if in his opinion 70 percent was too high.

Let it be known by all farm communities, and for the record, that three eminent senior members of the committee, including the chairman, refused to sign this conference report.

Farmers fully understand that, while this action would appear to retain the parity concept, actually it would make a mockery out of that concept; in fact, by 1973 this bill could well cost farmers hundreds of millions of dollars.

Based on the cotton section of said bill, it would appear that most cotton producers are being treated like stepchildren, because when the reduction in the cotton loan is coupled with the other price depressing features of the cotton section, my cotton producer friends advise that income to cotton producers in many areas of the Cotton Belt could drop as much as 20 percent.

And now we come to the real enigma—the much-discussed and little-understood feature called set-aside. No one, including the authors, can predict with any reasonable accuracy just what the results would be if this set-aside plan goes into effect.

At best it can be said that this set-aside concept is an unknown quantity; and many farmers I know regard it as part of a scheme to set aside an effective program in order to substitute an ineffective program—one which could well scramble production patterns and thereby play havoc with future farm prices.

Let every Member of the Senate, especially those who come from agricultural States, note well that, whereas net farm income in 1959 was only $11.5 billion, under the programs of the sixties, by 1969 it had increased to $16.2 billion. That was, and is progress in the right direction.

Naturally, therefore, the farmers of America are alarmed at the thought of this constructive price trend being reversed because of this bill now being proposed by this administration.

No one can deny that it is a bill which carries with it the prospect of lower farm prices and lower net farm income; and any such development could only force more farmers off the land and into the cities. Again, as well developed by the Senator from South Dakota, this in turn would aggravate further the problems of unemployment which are already increasingly characteristic of our urban centers.

The Senate version of this bill did have some reasonable built-in protection for

the agricultural producer. At the insistence of Secretary of Agriculture Hardin, however, nearly all of these farm income protection features were eliminated in the report of the conferees.

About the only reason anyone really interested in rural problems, therefore, can think of for supporting this bill is that it did retain a few improvements over the bill originally sent over here by the House; although there is no way farm income can be maintained unless its specifications are administered with sympathy for our farmers—and equally important, adequately funded.

There are certain administrative rulings which could be made that would insure more equitable treatment among individual producers, and at the same time provide more income protection to all producers.

With that in mind, on cotton, we believe that administrative action should:

First. Limit the number of acres any producer could receive under release and reapportionment. A limit that would not permit a producer to have more than 50 percent of his total acres in cotton after release and reapportionment would not only insure more equitable treatment between producers, but also reduce total program costs.

Second. Require that set-aside be on a solid acreage basis. To permit counting of skip-row as set-aside gives a tremendous, and unfair, advantage to producers in acres practicing skip-row farming patterns. To count skips as set-aside completely nullifies production control as envisioned under set-aside; and also almost doubles the cost of the program in skip-row areas.

If there would be administrative agreement to allow two-row skip plantings, wherein the two skip-rows would serve as a credit toward set-aside requirements, the Secretary of Agriculture should have both the responsibility, and the authority to give relief for any determinable inequities arising from administrative terms and conditions. We are especially concerned about cotton producing areas where soil and climatic differences are incompatible with skip-row planting patterns.

Third. Hold the loan level at current 20.25 cents per pound. The only reason for lowering the loan would be to give domestic textile mills another 2-cents-per-pound price advantage at the expense of cotton farm income.

Fourth. Require full adjustments in yields for abnormal conditions. Because of bad weather, many areas, particularly in my State of Missouri, have not made a full crop in the past 5 years. This year, only an estimated 50 percent of the cotton acreage in Missouri has been harvested. At best this means that the crop this year will not be more than 80 percent of normal yield per acre, and could be much lower.

Basing payments on a moving 3-year average of abnormally low yields, only partially adjusted, is one way that program costs could be reduced. But cotton farm income and cotton production cannot be maintained in many areas unless ful adjustments are made.

Fifth. Permit the production of soybeans and other nonsurplus crops on set-aside acreage. The loss of production and income from set-aside acreage would mean an unbearable slash in farm income in areas that do not practice skip-row production.

Regardless of the way this comes out, the cotton producers of Missouri and those other States which share the same problems we have would deeply appreciate the assurance of the Conference and the Senate Agriculture Committee that every possible effort will be made for favorable action by the Secretary of Agriculture on these administrative rulings which would be so helpful to our cotton producers.

On feed grains, as Members of the Senate well know, it was both our thought, and our hope that price support on corn should be at least $1.35 a bushel or 75 percent of parity, whichever was greater, during the period to be covered by this bill. The distinguished Chairman of the Senate Agriculture Committee accepted my own amendment to that end, and took it to conference.

Unfortunately, however, the majority of the conferees did not agree with the Senate position; therefore the bill, as reported back to the Senate, provides for $1.35 a bushel or 70 percent of parity, with authority for the Secretary of Agriculture to lower that to 68 percent of parity in the 1973 crop year.

According to the monthly report, "USDA—Agricultural Prices," the August 15 parity price of corn per bushel over recent years has been:

In 1965, $1.57.
In 1966, $1.59.
In 1967, $1.62.
In 1968, $1.64.
In 1969, $1.72.
In 1970, $1.77—75 percent equals $1.3275.

Since 1968, parity has gone from 1.64 to 1.77—up 13 cents; and if parity on corn goes up as much in the next three years as it has in the past three, it would rise to $1.90.

In 1973, therefore, 75 percent of parity at $1.90 would be $1.42, or 7 cents a bushel more than the $1.35 in the bill.

Consider that, if parity on corn only went up 10 cents to $1.87, the 75 percent minimum support would still be $1.40, 5 cents over the $1.35 in the bill.

Surely farmers from predominantly wheat States do not want to sell their feed grain neighbors "down the drain." But if, for certain reasons, we have before us a bill that gives 100 percent parity for wheat, surely, in all fairness, we should be able to justify 75 percent parity for corn.

Regardless of what happens here in the Senate floor, therefore, I would hope that the Senate Agriculture Committee will continue to urge this administration to work, now and in the future, for at least 75 percent of parity or $1.35, whichever is greater, as the minimum price for corn and other feed grains.

This bill may be somewhat better than what we had in 1959. If it is passed in its present form, however, I predict this afternoon a tragic drop, in real dollars, in the prices our farmers will receive for cotton and feed grains; and we know that a fall in the latter is certain to result, again in real dollars, in a serious decline in the price for hogs and cattle.

Mr. TALMADGE. Mr. President, will the distinguished chairman of the committee yield at this point?

Mr. ELLENDER. I yield.

Mr. TALMADGE. Mr. President, I congratulate my chairman, the senior Senator from Louisiana, for the statement he made on the conference report.

As the Senator stated, we met in conference twice daily for almost 3 weeks. The conferees on the part of the House were completely instransigent. The House passed what our committee thought was a very bad farm bill. The Senate Committee on Agriculture and Forestry worked diligently to improve the farm bill in order to insure the farmers of this country adequate income for this products.

We worked out what we thought was a satisfactory bill. We brought it to the Senate floor. The Senate approved it by an overwhelming majority. But when we went to conference, we did not have a free conference. We won on some of the issues, but on some of the major issues—like cotton and feed grains—every time we would have a proposition, the House conferees would pull out a letter from the Secretary of Agriculture or the Bureau of the Budget.

The administration used the excuse that because of budget considerations, it could not consent to any bill which would cost substantially more than the House bill. However, many of the administration's objections were petty and irrelevant and could not possibly be based on budgetary considerations. For example, the administration even objected to the rural development title of the bill, a title which commits the Congress to a sound rural-urban balance and calls for various reports which will enable the Congress to legislate intelligently. This title, which I introduced in the Agriculture Committee, does not call for the expenditure of any money, but it does commit the Congress to achieve sound rural-urban balance and, hopefully, it will provide information which will enable Congress to carry out this policy. However, the administration contended that this reporting requirement would be too burdensome.

Fortunately, the conferees discerned the weakness of the administration's objection and my rural development amendment was approved.

It is unfortunate that title IX, the rural development title, is one of the few bright spots in the conference report. There are others—such as the retention of the Senate amendment providing for an additional $10 million for cotton research and promotion—but in total, this farm bill amounts to a continued loss of farm income.

I am fearful that this legislation could lead to such a reduction in cotton income that many farmers in the Southeast will no longer find it profitable to grow cotton.

When this administration put forth its set-aside concept a year ago, my first

question was, "How will this bill affect individual farm income? How will your bill affect the 10-acre farmer, the hundred-acre farmer, the thousand-acre farmer?"

From the reluctance of the administration to respond to my question, one would have thought that I was asking for highly classified defense data. Finally, after repeated calls and letters from my office, the administration did respond with some income examples which were essentially worthless.

My inability to receive informative examples of the impact of the administration bill on farm income continued to disturb me and during the Senate Agriculture Committee's discussion of the House-passed bill, I had my staff, in conjunction with independent experts, draw up examples of the impact of the House bill on farm income.

In figuring these examples, my staff used actual farms in several Southeastern States. My examples showed that the impact of the reduced price for cotton and the set-aside requirement for cotton would prove disastrous to many Southeastern farmers. In many cases individual farm income would be cut as much as 25 percent. In other cases farm income would be cut as much as 50 percent.

Cotton farmers would suffer this reduction in income for two reasons. First, the House bill guarantees farmers only 35 cents per pound for their cotton in 1971. During the last 2 years of the program there is no guarantee of 35 cents, but the administration is required to spend the same amount on cotton payments that it spends for the 1971 crop. In 1970, cotton farmers are realizing a return of 38.55 cents per pound on middling 1-inch cotton. This is due to the fact that the cotton farmers receive a 20.25-cent loan level and payments of 16.80 cents per pound under the 1965 Act. These two figures total 37.05 cents per pound. In addition, the market price exceeds the loan level by 1½ cents per pound, which means that the cotton farmer receives a total of 38.55 cents per pound for middling 1-inch cotton.

Under the administration bill the cotton farmer will be guaranteed only 35 cents—10 percent less than he is currently receiving.

The most disastrous feature of the cotton section of the farm bill, however, is the set-aside requirement. As the bill came from the House of Representatives, it contained a set-aside requirement of 33⅓ percent. In layman's language, cotton farmers would be required to set aside or lay out without pay one acre of land for every three acres of cotton they planted. In today's highly competitive agricultural economy, farmers must attempt to derive maximum benefit from each cultivable acre of land. It does not take a mathematical genius to understand that any program requiring a farmer to set aside land without pay is going to be extremely costly to the farmer. According to the administration's calculations, it is worth $35 per acre to set aside land. Even if we take this low figure, the set-aside requirement would mean that a cotton farmer who planted 100 acres would lose $1,166.66 because of the set-aside requirement.

This is indeed a heavy loss for a farmer who will receive 10 percent less for his cotton.

The Senate committee realized that such a loss was unacceptable and the committee voted unanimously to accept our able Chairman's amendment which provided for a set-aside of 12½ percent.

Unfortunately, the House conferees and the administration refused to budge on the set-aside. After 3 weeks of continuous deliberations, a majority of the Senate conferees agreed to accept a 28 percent set-aside requirement for cotton.

This conference had reached a stalemate. This went on day after day and week after week. Sometimes the conversation was tense and bitter. Sometimes tempers were high. We fought as long as we possibly could.

As the Senator from Louisiana stated, neither he nor the senior Senator from North Dakota nor the junior Senator from Georgia signed the conference report. I did not want the people of my State or the people of this Nation to think that I supported that kind of a farm bill. But at the present time we are on the horns of a dilemma.

The House conferees, the Department of Agriculture, the White House, and the Bureau of the Budget have informed us day after day and time after time that it is either this farm bill or no farm bill at all.

If we have no farm bill at all, what will be the result? We will go back to the Benson Act of 1958. That is the permanent legislation that will become law if this conference report is rejected.

Under that bill we piled surplus on surplus in Government warehouses. Cotton got up to over 17 million bales. Every grain elevator in the United States was filled with wheat and corn. The cost to the taxpayers of the country was beyond comprehension.

At that time we had a two-price system for cotton. Foreigners paid 8.5 cents a pound or $42.50 a bale less than the American textile mills paid for it. The textile industry had to pay a premium of $42.50 a bale to buy American cotton.

Cotton is in serious difficulty at the present time. We are spinning more man-made fibers in the United States than we are spinning cotton. The textile mills are switching more and more from cotton to synthetic fibers.

If we go back to a two-price system for cotton, it is my judgment that cotton will be destroyed as a commodity in this country in less than 3 years' time. The textile industry and the garment industry are losing employees at the rate of 100,000 a year at the present time because of cheap foreign imports. They would be absolutely destroyed by a return to the 1958 act.

I see no alternative under the present circumstances except to pass a bad bill in order to prevent one that might be infinitely worse.

Again, I congratulate my chairman and associate myself with his remarks. No man in America stood more valiantly on the floor of the Senate and fought for the American farmer than the distinguished senior Senator from Louisiana. He has been chairman of this committee ever since I have served in the U.S. Senate.

I have had the pleasure of working with him now for almost 14 years. On most issues we see eye to eye. Occasionally we disagree. On this matter our only disagreement is not on the type of the bill presented to the Senate today but on the alternative to this bill.

I believe that even a bad farm bill is better than no farm bill at all. It is better than the return of a cotton program that is completely inappropriate for today's markets.

I am not ready to allow the destruction of the cotton industry of this country. I do not believe that this industry is dispensable. There are several areas of the cotton program in which the Secretary of Agriculture will have some discretion under the pending bill. As a Member of the Senate, I now have no choice but to cast my vote for the administration's bill. But I do want to serve notice on the Secretary of Agriculture that I am not about to let the matter drop here.

I fully intend to use my position as a ranking member of the Senate Agriculture Committee and a Member of the Senate to urge in the strongest possible terms that the cotton program be administered so as to achieve maximum cotton production and maximum cotton income.

I will be looking over the Secretary's shoulder, and he can expect to hear from me quite frequently should he fail to use his authority properly. Mr. President, I thank my distinguished chairman.

Mr. MONDALE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MONDALE. Mr. President, I join the distinguished Senator from Georgia in commending the distinguished chairman of the Committee on Agriculture and Forestry for his gifted and devoted statement on behalf of the farm programs.

It was my privilege for some years to serve under his leadership as a member of the Senate Committee on Agriculture and Forestry. I learned there to have a deep respect for his understanding and devotion to the objective of strong agriculture and, because of that, a strong Nation.

I was much pleased when the Senate farm bill passed and went to conference. While none of us gets everything he wants, this was a good farm bill. Virtually every farm organization thought so.

We had a program which tied feed grains to parity with a minimum of 75 percent of parity. We had a strong wheat program. We had guarantees written into the legislation which assured American agriculture and the American farmer of the minimums they needed to make the plans and be sure they could even be in business in the years to come.

We had a provision requiring advance payments to farmers based upon the wheat in the feed grain program, a measure which cost very little to the U.S.

Treasury, but one which was very helpful to the farmer in receiving payments to which he was entitled during the early start of production so that he would not have to turn to the lenders and pay high interest rates, particularly during this period.

For the past 7 years the Department of Agriculture made advance payments. This administration decided not to do so. Therefore, this mandatory requirement, in my opinion, was necessary. But it was similarly a great disappointment to me to find that the bill reported out of the conference committee virtually deleted every one of the strong features which were so strongly supported by the Senate and by the chairman of the Senate conferees, the distinguished Senator from Louisiana (Mr. ELLENDER).

The point I wish to make is that last night I was privileged to speak to the Farmers' Union Grain Terminal Association's annual meeting. This was a remarkable meeting at which over 7,000 farmers from Minnesota, North and South Dakota, Montana, and some from Iowa and Wisconsin, attend a 3-day conference each year to discuss American agricultural matters.

Mr. President, I wish to report that this conference overwhelmingly and unanimously passed a resolution requesting the U.S. Senate to reject the conference report now pending before the Senate. I do not recall on any other occasion seeing such strength and unanimity of opinion in American agriculture.

Mr. SYMINGTON. Mr. President, will the distinguished Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. How many farmers were at this meeting?

Mr. MONDALE. Approximately 7,000 from all these States.

Mr. SYMINGTON. Would the Senator name the States again?

Mr. MONDALE. The States of Minnesota, North and South Dakota, and Montana. There were also representatives from Wisconsin, Iowa, and I believe a few from Missouri.

Mr. SYMINGTON. I thank the Senator.

Mr. MONDALE. It should come as no surprise because if voters in the Midwest and the great agricultural areas of our country were saying anything this past year, I think they were saying that they were deeply disturbed. And well they might be because although there was a wholesale price index as we had in October, which stated there had been no increase in the wholesale price index, that was true only because farm prices dropped so precipituously, despite the fact everything else was going up. Those figures reflected that the farmers almost alone were absorbing direct price drops and the burden of trying to equalize and temper American inflation.

According to statistics released by the Department of Agriculture just a few days before the election, the result was that farm price parity ratios dropped to the lowest level since 1933. I wonder what would happen if parity ratios for bankers dropped similarly? Or what would we hear from the automobile manufacturers if their prices dropped similarly to rates of 1933? But that is what happened to the American farmer, and in those same States three Governors were elected, five new Congressmen were elected, and three strong voices for American agriculture returned to the Senate.

In my 20 years of involvement in politics in my State I have never seen the farmers as concerned, as distressed, and as anxious as they are today because literally their futures are at stake, the future of the farmers and our future.

I think the American people have spoken and I hope we can follow the leadership of the chairman of our committee and others who have spoken here today to reject the conference report and go from there to build a strong farm bill that American agriculture, rural America, and all of us require for the kind of decent society we all wish to have.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. MONDALE. I am delighted to yield.

Mr. MANSFIELD. Mr. President, will the Senator yield to me briefly? I would like to suggest the absence of a quorum.

Mr. BURDICK. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the conference report occur at 3:30 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. MANSFIELD. I thank the Senator for yielding.

Mr. BURDICK. Mr. President, first, I would like to join my colleagues in the Senate today who have paid tribute to the Chairman of the Committee on Agriculture and Forestry. He fought a valiant fight in the conference and we from the great grain producing areas of the country greatly appreciate it. He did all he could do and the fact that he refused to sign the conference report attests to his sincerity in the matter.

I wish to ask several questions of the chairman of the committee, the Senator from Louisiana.

In discussing the wheat section the Senator referred to the fact that the programs are comparable to the present law. Is it not a fact that the conference report limits domestic certificate payments to 535 million bushels of wheat?

Mr. ELLENDER. That would be the minimum under the conference report.

I listened with interest to what the chairman of the committee had to say describing the cotton section and particularly how the conference bill might lead to surpluses. The chairman is aware of what we have done in the past 10 years in trying to reduce the carryover in surpluses in all areas.

Once the set-aside has been adhered to or agreed to in the area of wheat, there is no limit on anybody, on any area, on any location as to where wheat can be grown. Is that correct?

Mr. ELLENDER. The Senator is correct. That is the distinction I tried to make between the present law and this bill.

Mr. BURDICK. That is correct.

Mr. ELLENDER. Because under the present law we have guidelines wherein the minimum national marketing quota is 1 billion bushels which the Secretary must use as a yardstick to start with.

Mr. BURDICK. At present the exchange of crops is clearly defined.

Mr. ELLENDER. Yes.

Mr. BURDICK. Farmers could plant feed grains on wheat acres or wheat on feed grain acres.

Mr. ELLENDER. Yes.

Mr. BURDICK. So there is no limit on the exchange that could be made. Today there is no limit as to where wheat could be grown.

Mr. ELLENDER. The Senator is correct.

Mr. BURDICK. It could be grown in Maine, California, or any place in the country.

Mr. ELLENDER. Yes.

Mr. BURDICK. In the early days when wheat was grown just for the grist mill or for personal use transportation was not a problem. Is it not a fact that today transportation is one of the big factors?

Mr. ELLENDER. That applies to any commodity, of course.

Mr. BURDICK. For example, cotton could not be raised in North Dakota, but wheat could be raised in the Senator's State of Louisiana.

There is that difference, and the cost to transfer a hundredweight of wheat from an average central point in North Dakota to the Gulf ports by rail is about $1.10 and by barge $0.80, so that there is an 80-cent to $1.10 differential in raising grain near the Gulf ports and in North Dakota. I suppose this does vary as we get closer to the Gulf area, but does the Senator not feel that where there is this wide-open planting provision on wheat that will permit farmers who historically never planted wheat will now raise wheat?

Mr. ELLENDER. I stated that in my opening statement. That is something that may occur with respect to wheat as well as cotton.

Mr. BURDICK. That is correct.

Mr. ELLENDER. Because it also applies on cotton.

Mr. BURDICK. And we may be faced with surpluses in wheat and cotton.

Mr. ELLENDER. The Senator is correct.

Mr. BURDICK. There is no limitation.

Mr. ELLENDER. The Senator is correct.

Mr. BURDICK. Now, I have a question for the able Senator from Minnesota. The State of Minnesota is one of for feedgrain States; is it not?

Mr. MONDALE. We have almost a greater variety of agriculture produced than almost any other State, but we are a large feedgrain producer.

Mr. BURDICK. The Senator does not mean to tell me Minnesota is a leading wheat producer; does he?

Mr. MONDALE. We produce the best wheat; there are other States that produce more wheat.

Mr. BURDICK. We will not argue the point, but I think the Senator will find that North Dakota is the leading producer of dark northern spring wheat.

I wish to call attention to a memorandum I received, or a view I received from the Library of Congress Legislative Reference Service in regard to the discretion contained in the bill. This seems to be the Achilles' heel of the bill: That we are giving to the Secretary of Agriculture discretion he should never want or have.

For example, I am reading from the Library of Congress Legislative Reference Service report which refers to a listing of the important grants of discretionary power to the Secretary of Agriculture in the proposed Agriculture Act of 1970. It states that one of those important grants of discretionary power is:

Title V—Feedgrains—Sec. 105(b)(3): ". . . the Secretary may permit producers of feedgrains to have an acreage devoted to soybeans or to wheat considered as devoted to the production of such feedgrains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feedgrain or soybean program."

Reading section 105(c)(1):

The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feedgrains or other commodities will in the absence of such a set-aside, likely be excessive . . . the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feedgrain base for the farm as may be specified by the Secretary . . .

There is no maximum limit on the required set-aside and the Secretary has discretionary authority to require a set-aside of any percentage, not even limited to 100 percent, of the feed grain base, which he finds will effectuate the purposes of the act.

Why do we have to grant that much discretion to any Cabinet officer?

Mr. MONDALE. As I said earlier, one of the key elements in this legislation that concerns our farmers is that there is absolutely no way that this kind of unlimited discretion can enable a feed grain or wheat farmer to plan his future. It leaves the farmer's future entirely up to a public official who is not elected, who is not governed by any standards; and one cannot conduct business in American agriculture with those kinds of unlimited options available to this one person. Indeed, it is unprecedented.

In that way, and also in terms of the elimination of any meaningful minimum parity price protection—parity price in the feed grain section, though it appears, is calculated so as to have no effect—it is a shadow of a contribution, and not a contribution of substance.

So both in terms of this unlimited discretion, to which the Senator from North Dakota properly make reference, and which is clearly described by, I assume, Dr. Wilcox, from the Library of Congress, plus the fact that the feed grain program now, for all practical purposes, has no tie with parity, a disastrous situation for the feed grain farmer is really created. It is analogous to this: If we passed a bill eliminating the National Labor Relations Act, we could have no more fundamental effect upon the future of the working man than we would on the feed grain farmers of our country by passing this legislation.

Mr. MILLER. Mr. President, will the Senator from North Dakota yield ?

Mr. BURDICK. I yield.

Mr. MILLER. I think my colleague from North Dakota knows that the Senator rom Iowa is very chary about granting discretion to non-elected public officials. On the other hand, I think we have to take into account that in the agricultural area there are great uncertainties. One uncertainty that came upon many feed grain States and many feed grain farmers with almost lightning-like rapidity was the corn blight problem. If the Congress had to legislate every time there is some unforeseen development, I could see a great amount of delay and difficulty.

It seems to me that the Secretary of Agriculture ought to have discretion, based upon guideline, to see that the set-aside is geared into production which will not bring about excessive production, and be flexible enough so that he can set the set-aside requirements to roll with the punch.

At the time we were considering this bill in the Committee on Agriculture and Forestry, the Secretary had prepared some estimates which were based upon a probable set-aside of 20 percent of the feed grain base.

In view of developments as a result of the corn blight problem, there is now grave doubt as to whether or not this would be a proper figure to use. The chances are that the Secretary will not be able to make a good determination of that question until possibly early next year, when all of the statistics needed to make a judgment will be available to him. It might end up at 18 percent. It might end up at 20 percent. It might end up at 22 percent.

But it seems to me that we ought to give the Secretary of Agriculture the feeling of confidence on our part that he is not going to abuse this authority.

I find it incredible to think that any Secretary of Agriculture would abuse his discretion to the extent that he might, for example, require a 50-percent set-aside, and then, of course, throw feed grain production into a terribly deficient position, which would cause an abnormal increase in the cost of feed grains and livestock, and the costs of the consumers.

I do not believe that we should treat this discretion on the part of the Secretary as one that the Secretary is going to use in any other way than to benefit the country and that he will not abuse his discretion, but that he needs flexibility.

I will say to my friend from North Dakota that if before the conference committee, or in the agriculture bill as it appeared on the floor of the Senate, there had been a provision that the Secretary could not have a set-aside of less than 10 percent or more than 50 percent, and that he had to operate within that framework, I do not think there would have been a ripple on the floor of the Senate. But I suggest to my friend from North Dakota that that would be completely unnecessary. I do not think there is any intention on the part of anybody, or any thought on the part of anybody, least of all the Secretary of Agriculture, that this discretion will be so widely used. We are talking in terms of variances of possibly 5 percent or perhaps 10 percent.

Mr. BURDICK. Let me say we are not contending that there is any intention to abuse any discretion. I am saying something that the Chairman has said—that it is too wide open; that there should be some guidelines that would limit this discretion to some acreage. Right now there could be a 100-percent set-aside under his discretion. That should not be in the law. That is too much.

Mr. MILLER. May I ask my friend from North Dakota if he really thinks that any Secretary of Agriculture would ever exercise the discretion of 100 percent?

Mr. BURDICK. Why should we have it in the law, then?

Mr. MILLER. I think really it is understood that such an absurdity is not necessary to be covered by the law, but that the guidelines to set the set-aside according to what is necessary to prevent excessive production or under production is a proper guideline. I do not know what the Senator from North Dakota might propose. Has he suggested, for example, that the committee provide for a set-aside to be not less than 10 percent or more than 50 percent? Is that what he is getting at?

Mr. BURDICK. I would like to have the conference committee review that very question. That is what I would like to have them do. I would like them to use their judgment, so that at least we would have some guideline to limit it to some extent. That is why I want it returned to the conference committee. Let the conference committee, in its wisdom, set a guideline, so that it will not be an open-ended authority.

Mr. MILLER. After the legislative history that has been made on this question, taking into account the tables and figures furnished the House Agriculture Committee, taking into account the tables and figures furnished the Senate Agriculture Committee, taking into account the statements of the Secretary of Agriculture and his officials, if there were any kind of abuse of this discretion along the line that our imaginations could lead us to, there would be prompt retaliation in the Congress. But I do not expect any such abuse. As a matter of fact, I can say to my friend from North Dakota that I do not recall that the question of abuse of this discretion ever came up in the proceedings of the Senate Agriculture Committee, because we understood that the 20 percent set-aside figure was something of a "guesstimate," but that we were talking in terms of the exercise of discretion in that area, which could be up or down, depending upon unforeseen climate and growing conditions.

I must say that I do not believe the

Senator from North Dakota has any need to worry about this. I do not know of any Secretary of Agriculture who would abuse the discretion that exists in the bill.

Now, we get into another area of discretion: Price supports. Why would we not just leave the price supports wide open? They came over from the House of Representatives with a bill which provided that the loan rate on feed grains shall be not in excess of 90 percent of parity. The next thing you know, someone said, "Well, that means there is no floor; therefore, the Secretary could set a loan rate of 50 cents a bushel on corn."

My reaction was that I did not think any Secretary of Agriculture in his right mind would ever even think of such a thing; but what gave me some trouble was the fact that in the House Agriculture Committee, one of the tables furnished by the Department of Agriculture to the House Members on the basis of planning for this legislation was based on an estimated 90-percent loan rate on corn. Then when the tables were furnished to the Senate Agriculture Commitee, the Secretary and his people gave us a figure of a $1 loan price for corn.

So I said that maybe there might be a consideration of reducing this floor to 90 cents, and I could not see any difficulty of using a dollar. It is no great shakes, but it would cover the costs of production, and to be on the safe side, and not to allow any variation below a dollar, I said, "Let us set a price support at $1." My colleagues in the committee went along with that, and I am glad to say that the Senate did, and so did the conference committee.

I think that is a different kind and degree of discretion than what the Senator from North Dakota is talking about. But I point this out to the Senator so that he will know that the Senator from Iowa is concerned about the possibility of abuse of discretion where there is some area which can have a very important impact on the income of farmers.

Where there is an area of discretion based upon the needs of the country, upon production, or upon climate variations, I think we have to have some flexibility, and I do not think the Senator from North Dakota is going to see any abuse of discretion by the Secretary.

Mr. BURDICK. I must say to my friend from Iowa at this point that I cannot yield further, because we are under controlled time.

Mr. MILLER. I am sorry.

Mr. BURDICK. I realize that the Secretary has to have some discretion. We are in disagreement as to the extent of it.

As to the payment for the set-aside, that is also up to the discretion of the Secretary. I should like to continue with my prepared remarks at this time, and if the Senator wishes to speak further, perhaps he can be recognized on his own time.

Mr. MILLER. I apologize for taking the Senator's time. I thank the Senator for yielding and permitting me to engage in this colloquy.

Mr. FULBRIGHT. Mr. President, had the Senator finished?

Mr. BURDICK. No; I am not through.

Mr. FULBRIGHT. I was going to ask a question about the situation on cotton, but I guess I should not address that question to the Senator from North Dakota.

Mr. BURDICK. No; not to me.

Mr. President, I oppose the pending conference report.

The farm bill pending before us today is weak in two important ways.

First, it is weak in terms of price support for the basic agricultural commodities. For feed grains, cotton, and wool especially, the legislation contains no meaningful parity formula to protect the farmer against increases in production costs over which he has no control. The fixed-figure price supports in the bill may seem adequate when judged according to their immediate impact. But as we move beyond 1971 into 1972 and 1973, inflation and escalating costs will exert an ever-tighten squeeze on farmers' real income.

The way to correct this is to return a workable parity provision to the basic commodity programs.

Second, the conference version of the farm bill is weak in regard to supply management. Farm programs that have evolved in this country since the 1930's are built upon the fundamental proposition that Government can and should help the farmer to do what he cannot adequately do for himself—that is, to manage production of farm commodities so as to maintain a reasonable balance between supply and demand. The measure of stability imparted to the agricultural economy by existing farm programs has redounded to the benefit of both farmers and consumers of farm produce. Today, the American consumer pays less of his disposable income for his food than ever in history—less than the consumers of any other major nation of the world are spending. Furthermore, while the cost of living has risen, the share of disposable income which goes to the farmer has been declining for the past several years and continues to decline.

Th workable system of supply management that has evolved over the last 4 decades is threatened by the approach contained in the conference report. In lieu of the proven network of commodity-by-commodity production controls in existing law, the confrence version would substitute the so-called set-aside approach.

How the set-aside will work is anybody's guess. As far as I know, the administration has not explained it to anyone's satisfaction. If anyone has been able to obtain, from the Department of Agriculture or another source, a projection of exactly how the set-aside will work, I would truly welcome the information.

The apparent truth is that the USDA does not know how, and even whether, the set-aside will provide effective supply management, for its workability depends upon how thousands of individual farmers allocate their land and other production resources among the different commodities. These decisions by individual farmers—and how they will aggregate into overall production patterns for each crop or commodity—are really unpredictable.

The set-aside approach has been promoted by the administration with the argument that it will afford more "freedom to plant" to the American farmer. There is, indeed, a surface validity to the argument that the set-aside would give the farmer more flexibility in his planting decisions. But this could become a mockery of freedom, if it leads to overproduction of specific commodities, and to the type of instability in agriculture that injures both consumer and producer of food and feed products.

The Nation experienced this type of instability in agriculture before the Great Depression, and it would be tragic to return to similar conditions as a result of deliberate public policy. Unfortunately, the set-aside may well be such a policy.

These two weaknesses of the farm program embodied in the conference report—that is, rigid, inadequate price supports and untested, perhaps unworkable production controls—go to the heart of the legislation. They cannot be extracted from the programs without removing the very lifeblood from the programs of which they are a part.

I know that there are some who would emphasize that the hour is late, and that quick adoption of the conference report at least would assure that there will be a farm program for the coming year. It is understandable that there are even some farmers of this opinion. Sometimes uncertainty about one's fate is more terrible than "getting it over," regardless of what the outcome might be.

Leadership is direly needed at this time. Farmers need to be assured that the Senate and the Congress will not let them down at this crucial hour, and that they need not settle for half a loaf for fear that they will get no loaf at all. The mandate that they provided in November 3 congressional election—are now looking to the Senate for leadership in this crisis.

If we take the initiative and reject the conference report, there is reason to believe that the House of Representatives will still enact a better farm bill in 1970. The November 3 election amounted to a significant referendum on the farm bill.

Mr. President, on October 30—just over 2 weeks ago—the Crop Reporting Board of the Department of Agriculture announced that the general farm parity index now stands at 70. This is the lowest level for the parity index since 1933, the depths of the great depression. Can we afford to enact a farm bill for 1970 that will continue this downward slide in parity for farmers during the next 3 years?

I say that we cannot. Let us reject the conference report, and permit the conferees to try again.

Mr. FULBRIGHT. Mr. President, if the Senator from North Dakota will yield to me, I should like to propound some questions to the Senator from Louisiana.

Mr. BURDICK. I yield.

Mr. FULBRIGHT. Just one or two questions about the Senator's estimate

of the effect of the open-ended planting on the cotton program. The Senator has evidenced his displeasure with this report, and I have grave reservations about it. The cotton farmers in my State have grave reservations as well, but they are also extremely concerned about the alternative, if this measure is not adopted.

I realize that the Senator from Louisiana has made his speech, but I should like for him to explain in a little more detail the effect of allowing open-ended planting above the allocated acreage, and how he thinks this will work.

Mr. ELLENDER. Every farmer who has a history of growing cotton would be protected under the law at around 35 cents a pound.

Mr. FULBRIGHT. For his allocated acreage.

Mr. ELLENDER. His allocated acreage. Now, if the farmer desires to plant any additional acreage over and above the allotted acres, he may do so; and if he does so, he can get a loan on whatever he produces equal to 90 percent of the world price.

Mr. FULBRIGHT. As of today, approximately what would that amount be? What would be 90 percent of the world price?

Mr. ELLENDER. Approximately 16.5 cents or 17 cents a pound under the bill.

Mr. FULBRIGHT. Would the effect of this be that the large farmers then would get their regular 35 or 36 cents on the allocated acreage, and all above that somewhere around 16 cents?

Mr. ELLENDER. They would get a loan to that extent if they desired. But many of these farmers who have a large acreage contract with mills have perhaps a thousand bales, not at 16 or 18 cents, which is 90 percent of the world price, but they might contract for as much as 25 to 26 cents a pound. In that way, a great deal of cotton will be planted, no doubt, and it will mean that the cotton on other allocated acres may have to be taken over by the Government, because many sales will be made by the farmer for the cotton that is planted on the acres above the allocated acres.

Mr. FULBRIGHT. Is it the Senator's concern that this may be an inducement to a great overplanting and a building up of additional surpluses?

Mr. ELLENDER. That is my concern, exactly.

Mr. FULBRIGHT. That is the Senator's major concern?

Mr. ELLENDER. The major concern. As the Senator knows, several years ago we had a surplus of about 17 million bales of cotton; and under the program envisioned under the present law, we were able to decrease that surplus to a little under 7 million bales, which is a normal carryover.

Mr. FULBRIGHT. The small farmers still get the regular price on the allocated acreage?

Mr. ELLENDER. That is correct.

Mr. FULBRIGHT. They will not be concerned with the excess planting, in any case, since most of them do not.

Mr. ELLENDER. That is correct. That is the first year. But the second year, if more cotton is originally planted than necessary and the surplus builds, then, under the law, the Secretary of Agriculture is at liberty to decrease the acreage from 11.5 million to whatever he deems necessary to keep the surplus down. So that it is possible under this measure that if the planting increases the surplus to such an extent, the acreage may be cut from 11.5 million in 1971 on which farmers will receive pay to as low as 9 million or 8.5 acres in 1972 or 1973.

Mr. FULBRIGHT. In the event that takes place, is there any protection for the smaller farmers?

Mr. ELLENDER. No.

Mr. FULBRIGHT. They will be cut on the same proportion?

Mr. ELLENDER. Yes. But they will get payments a little greater, so that their income will not be affected very much.

Mr. FULBRIGHT. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Supplementing the answer of the distinguished chairman, I want to point out that there are two other matters that I think should be mentioned at this time.

The first is that the law mandatorily provides that if the acreage is reduced, the income to the farmers not be reduced, that the price of payment per pound goes up.

Mr. FULBRIGHT. On the allocated acreage?

Mr. HOLLAND. Yes. So that about the same amount will go out to the various communities as heretofore. I thought that was fair treatment.

The other thing that I think might be put in the RECORD, in addition to what the distinguished chairman has said, is this: The bill itself, as it comes from conference, contains a provision that if the carryover rises above 7.2 million bales and we have had vastly greater carryovers than that—the Secretary is not permitted to make loans thereafter on cotton produced on excess acreage, and he is permitted to limit the acreage which can be planted by program participants, always subject to the provisions I have just mentioned, that he may not cut the total revenue given to the farmers or to the community.

Mr. FULBRIGHT. So, if I understand it correctly, the excess would have to get above 7.2 million bales before it could—

Mr. HOLLAND. There would be no inducement, no support, and I think a farmer would be foolish to plant under those conditions.

It was made very clear thoughout our arguments—we had long arguments, and I commend the patience of the chairman through the 3 weeks of arguments in conference—that the people who wanted to plant beyond their allotment required the assurance of loans before they felt justified in planting. When that assurance is cut off in case 7.2 million bales are on hand, I can see no apprehension at all that anybody need have about planting beyond the allotment.

Mr. FULBRIGHT. I thank the Senator.

Mr. BIBLE. Mr. President, the cotton growers in my State of Nevada are deeply concerned over the effect of this legislation on Nevada's future cotton allotment. And I think they are properly concerned.

By national standards, Nevada is a small cotton producer. We grow high quality cotton, but compared to other cotton States, our acreage is very limited. Nevada's share of the national cotton allotment for 1970 is only about 3,700 acres.

Since the Agriculture Act of 1956—enacted in the 84th Congress—the law has contained a provision establishing a national cotton acreage reserve to be apportioned to States on the basis of their need for additional acreage to establish minimum farm allotments. Under this provision of the law, Nevada has been entitled to special 1,000 acre statutory apportionment from this reserve.

One of the reasons this special provision was made in the first place was to enable our Nevada cotton farmers to plant sufficient acreage to justify the building and operation of a cotton gin. Before the special allowance was granted, the acreage planted was insufficient to support an economical ginning operation. It was necessary for our farmers to bale their cotton like alfalfa and truck it some 300 miles over the Sierra Nevada Mountains to the nearest cotton gin in the State of California.

The special 1,000-acre allowance provided sufficient acreage to permit the building and successful operation of a local cotton gin. It permitted the growth of a small but healthy cotton economy in the Pahrump Valley some 40 miles west of Las Vegas in Southern Nevada.

The present conference report discontinues this special allowance for Nevada's cotton farmers. The bill leaves unclear whether the small cotton community in Pahrump will receive sufficient cotton allotments in the future.

This is an important question for my State. I am advised that if no credit is allowed for the special 1,000-acre reserve allowance, Nevada may lose as much as one-half of its entire cotton allotment. According to the Nevada State Committee of the Agriculture Stabilization and Conservation Service, any reduction in the present allotment will cause a shutdown of the Pahrump Valley cotton gin. A drastic reduction of one-half the present allotment could result in a loss of farm income amounting to $250,000 annually, with very serious adverse effects on the entire community.

Nevada needs a cotton allotment comparable to what she has now, and to what she has been receiving over the years under existing law. Her usual allotment is small in any case, and any reduction will bring economic hardship.

My question to the manager of the bill, the distinguished Senator from Florida, is this:

The national cotton allotment for 1970 is 17.1 million acres. The present conference report provides a national allotment for 1971 of 11.5 million acres, and I am told that under a strict construction of the language of the bill Nevada's allocation of acreage will be a much smaller proportion than is the case for any other cotton-producing State. Was it the committee's intention that the 1971 allot-

ment for Nevada would be reduced in this manner—to a level disproportionately low in relation to the allotments for other States?

Mr. HOLLAND. Mr. President, I appreciate the apprehensions of the Senator and the cotton growers of his State. It is our understanding that each State will share in the 11.5 million acre base allotment for the 1971 crop year to approximately the same extent percentagewise as in 1970. If Nevada is unduly penalized in this allocation procedure, we expect the Secretary of Agriculture, under broad authority conferred on him by the statute, to make such adjustments as may be necessary in order to avoid the kind of situation described in the remarks of the Senator from Nevada.

Mr. President, I might add to that, the conferees understood clearly we were allowing for the taking care of distress cases in such a way as not unduly to hurt any grower or community of a State. I am sure that this answer will relieve the apprehensions of the cotton growers of the great State of Nevada.

Mr. BIBLE. It certainly does, and I want to thank the distinguished Senator from Florida, the Senator in charge of the bill, and would likewise want at this time to thank the distinguished chairman of the full committee who has been a great ally of mine in attempting to bring this about.

All we want to do is to get enough of an allotment to get the cotton gin going. If it is cut this harshly, obviously, it cannot do so.

I appreciate very much the answer of the distinguished Senator from Florida.

Mr. TALMADGE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I shall be glad to yield to the Senator from Georgia, but first I want to supplement what the Senator has said about the distinguished Senator from Louisiana (Mr. ELLENDER). He certainly has been a great friend of the agricultural producers of the Nation. He still is. I regard him as an outstanding friend of agriculture in the Senate.

Now I am happy to yield to the Senator from Georgia.

Mr. TALMADGE. Mr. President, for the purposes of leasing a farm with a cotton allotment can the tenant contract for a lease that provides for a cash rent with limited reduction in rent predicated on a subnormal yield and have this lease considered for purposes of the farm program a cash lease rather than a share crop lease?

Mr. HOLLAND. I am glad to answer that question. I was advised that this question might be raised, and had the counsel for the committee look into it. The answer is "Yes," for the purposes of administering this act, this arrangement should be considered a cash lease rather than a share lease.

I think that should satisfy the apprehensions of the Senator from Georgia and his constituents. It is a clearly understood apprehension.

Mr. TALMADGE. I thank the Senator in charge of the bill. I also concur in the remarks which have been made, and which I made earlier, with regard to our distinguished chairman, the Senator from Louisiana (Mr. ELLENDER).

Mr. HOLLAND. I thank the Senator from Georgia.

Mr. DOLE. Mr. President, I have listened with great interest to the discussion of this conference report, by those opposed to it and those who indicate they favor its adoption.

Let me remind my colleagues that the Senate bill passed by a vote of 62 to 7—I was one of those 62. Then the Senate and the House versions were discussed at some length in conference. There were many trials and tribulations in conference. Finally emerging is what we now have before us in the conference report which has been adopted by the House.

Having served on the House Agriculture Committee for 8 years, and now in the Senate committee for 2 years, perhaps the best course would be to run against the Secretary of Agriculture, whether his name be Freeman, Hardin, or whoever it may be.

To point out how bad this farm bill may be, and how bad the next farm bill may be, but this may be the last farm bill passed by Congress. I say that certainly not in a partisan way. But there are fewer and fewer Members, particularly in the other body, who come from agricultural areas.

Thus, I say in all sincerity, that we may be acting upon one of the last farm bills, at least comprehensive farm bills, for a long, long time.

This is a 3-year program. It is time now for the farmers to make decisions about spring planting. It is a long time passed for those of us in the winter wheat producing areas. We had to plant the crop without knowing what the program would be. That is not unusual. That has happened before. In fact, almost every time we have a new program.

In order for these farmers most efficiently to produce their crops, seed and supplies need to be obtained now.

To determine his needs for seed and supplies, the farmer must know the farm program provisions. Ultimately his decisions will be based on the action of the Senate on the conference report for H.R. 18546, the Agricultural Act of 1970.

WHEAT FARMERS GUESS

Winter wheat producers have already planted their crop. They could not wait, and were forced to speculate as to what provisions new farm legislation would contain. They had the assurances of many Senators that the pending conference report would receive prompt approval following the election recess. Wheat farmers have proceeded with their planting, and the crop is up and green—still anticipating approval of this legislation.

Now the junior Senator from South Dakota suggests consideration be further delayed. Mr. President, I submit that nearly 2 years is ample time to pass farm legislation. What the junior Senator from South Dakota suggests would extend the very program which has caused farmers to abandon their farms. His suggestion would eliminate the possibility of a farmer increasing his income that this conference report provides.

The Senator from South Dakota has also suggested that if we adopt this conference report, it will cost the American farmer some $2 billion. As I read the estimates, at least insofar as wheat is concerned, the gross income will be $32 million more under this program, if we adopt the conference report, than under the present wheat program. The same is true of feed grains—not the same amount—but more income for the farmer. I wonder, therefore, how we can say, without even any trial or error, that favorable action would cost American farmers some $2 billion.

INCOME COMPARISON

It is important that we examine the alternatives available in considering this report. I have heard comments about giving the Secretary of Agriculture too much power. I am reminded that in 1961, when the Democrat Secretary of Agriculture, Orville Freeman, had introduced in the other body H.R. 6400. It gave the Secretary of Agriculture almost unlimited power, and provided fines and jail sentences for farmers who did not keep proper books and records. We discussed at that time the unlimited power of the Secretary of Agriculture and the House rejected it by a five-vote margin—as I recall, a highly compulsory farm bill.

Mr. President, the conference report before us today encompasses not just the wheat program, or the cotton program, or the feed grain program, but many other programs of concern to agriculture, such as the dairy program, the wool program, Public Law 480, land retirement, dairy indemnity programs, and many others. Thus, we are discussing broad programs which affect the entire field of agriculture.

What are the alternatives?

As I said, the Department of Agriculture has projected some income figures based on three alternatives.

I ask unanimous consent to have the list of figures as they relate to cotton, wheat, and feed grains, printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

KEY PROGRAM PROVISIONS AND PROGRAM RESULTS: COTTON, WHEAT, AND FEED GRAINS—1971 PROGRAM ALTERNATIVES COMPARED WITH 1969 AND 1970 PROGRAMS

[Based on estimates developed Aug. 25, 1970. This does not take into consideration revisions in crop reports since Aug. 25, 1970, and the effect of corn blight in program determinations for 1971 crop.]

Item	1969 crop	1970 crop	1971 crop alternatives		
			Act of 1970	No new legislation	
				Yes [1]	No [2]
Cotton, upland:					
Production	9.8	10.9	12.5	15.2	15.2
Use	10.7	11.2	11.7	9.6	9.6
Loan rate	20.25	20.25	[3] 18.70	32.07	32.07
Season average price	20.60	20.75	[3] 19.50	32.45	32.45
Payment rate	14.73	16.80	15.50		
Farm value of production	1,024	1,131	1,143	2,368	2,368
Payments to farmers	824	907	860		
Gross income	1,848	2,038	2,003	2,368	2,368
Budget expenditures	1,012	1,006	1,092	1,343	1,343
Wheat:					
Production	1,459	1,357	1,410	1,211	1,475
Use	1,400	1,360	1,440	1,290	1,290
Loan rate	1.25	1.25	1.25	1.15	1.43
Season average price	1.24	1.28	1.30	1.20	1.30
Marketing certificate	1.52	15.7	1.56	1.39	
Farm value of production	1,804	1,737	1,833	1,453	1,917
Payments to farmers	857	899	835	744	
Gross income	2,661	2,636	2,668	2,197	1,917
Budget expenditures	1,257	1,138	1,049	490	957
Feed grains:					
Production	174	175	188	232	229
Use	178	180	186	199	199
Loan rate (corn)	1.05	1.05	1.00	.99	.89
Season average price (corn)	1.12	1.16	1.10	.85	.85
Payment rate (corn)	.30	.30	.32		
Farm value of production	6,811	7,084	7,245	6,985	6,895
Payments to farmers	1,644	1,490	1,400		
Gross income	8,455	8,574	8,645	6,985	6,895
Budget expenditures	1,940	1,688	1,707	1,449	1,336
Summary—Cotton, wheat, and feed grains:					
Farm value of production	9,639	9,952	10,221	10,806	11,180
Payments to farmers	3,325	3,296	2,995	744	
Gross income	12,964	13,248	13,316	11,550	11,180
Budget expenditures	4,209	3,832	3,838	3,282	3,636

[1] Yes vote on wheat referendum—Marketing quotas in effect.
[2] No vote on wheat referendum—No marketing quotas.
[3] Includes micronaire premium of .45 cents.

Mr. DOLE. Mr. President, for purposes of comparison, one can consider the past harvest as a minimum income if the present program were extended for next year. All USDA figures are based on projections prior to any upward influence caused by the corn leaf blight damage.

The USDA projects gross wheat income under provisions of the conference report of the Agricultural Act of 1970 would be $2,668 million. This is an increase of $32 million over the gross wheat income of this past harvest and would be $500 to $700 million more than income they project under either referendum vote.

The junior Senator from South Dakota concurs with the USDA's income loss figure if we should be forced to revert to the Agricultural Act of 1938, as amended. As he said on November 16:

> Reversion to the old "permanent" farm law . . . would entail an annual income loss of some $2 billion on wheat and feed grains alone. (CONGRESSIONAL RECORD, Nov. 16, 1970, p. S18203)

Cotton income is projected to increase by over $300 million by reversion to the "old" farm law—all in Government payments.

The USDA projects gross feed grain income under the set-aside program would be $8,645 million. That is $71 million more than the gross feed grain income this year, and would be $1.660 to $1.750 billion more than they foresee under either result of a referendum.

Let us now look at the USDA's appraisal of the conference report and examine it beyond income projection.

The Department of Agriculture asserted the act will protect and improve farm income because:

Payments will be continued at a level needed to maintain farm income.

The act's set-aside provisions will keep production levels in line with needs and prevent crop surpluses.

USDA indicates the act will offer farmers a wider choice of crop acreages.

Farmers will have a greater capability to shift production to meet market demand, thus encouraging farmers to produce their most favorable crop.

Set-aside provisions will encourage more efficient use of land by permitting acreage not set-aside to be planted to any crop as the market and not the Government might dictate.

Interplay of market pricing and greater flexibility in farm production patterns will influence crop output toward those most needed for actual use either at home or abroad.

This bill could open the door of opportunity for the farmer. The present farm program provides such close control that a producer has no opportunity to expand and improve his operation. Presently to receive his support payments, the producer must comply with many regulations that forbid him an opportunity to plant more of a more favorable crop—unless he is willing to give up his Government payments.

The conference report we consider today will provide the farmer that very opportunity. He may receive his commodity payments as long as he sets aside a portion of his crop-producing land from production of surplus crops. After compliance with the set-aside requirement, he has a choice. He may plant the allotment, as he does under the present program for various commodities, or he may choose to select his most favorable income producing crop and plant more of that comodity. This is a step in opening the door of opportunity for the farmer to improve his income.

The Senate version of the Agricultural Act of 1970 was far more beneficial to the farmers. The Senate passed its version by a vote of 65 to 7. I would remind the junior Senator from South Dakota that this version was not acceptable to the House of Representatives through their conferees. The changes in the agricultural representation in the House from the recent election was not sufficient to overcome the urban dominance that exists in the House.

NO COALITION

Mr. President, I would at this time submit for the RECORD copies of telegrams from farm organizations asking for approval of this conference report. The groups represented are: The National Association of Wheat Growers, the National Grange, the Washington Association of Wheat Growers, and the National Federation of Milk Producers. Three of these telegrams are from members of the Farm Coalition. My point is that there is strong support for the conference report and apparently no "coalition" position.

PUBLIC LAW 480

The food-for-peace program—Public Law 480—faces expiration the end of next month. This program enjoys nearly unanimous support in both Houses of Congress. It would be extended by approval of the conference report.

Decisions face the Department of Agriculture with respect to the dairy indemnity program, the Wool Act, the special milk program for veterans and military hospitals, and the authority for Class I base plans for milk. Extensions for all these programs are provided in the conference report.

I do not imply these programs would be discontinued, but further delay would necessitate special action for each.

RURAL DEVELOPMENT

Another provision in the conference report would contribute to improving opportunities in rural areas. Title IX of the bill sets guidelines for improving rural America. It directs agencies to review and consider rural areas for future government activities and installations. It also assures the rural community of receiving equal consideration in the provision of governmental services. The rural development title of the bill would serve as a foundation for future legislation to stimulate development of rural areas.

ALTERNATIVES

In the event this conference report is not approved, the farm provisions of the Agricultural Act of 1938, as amended—the program under which we were operating in 1958—would be in effect. The warehouses would soon bulge with surplus productions and the cost of the farm program would skyrocket.

The alternative suggested by my colleague from South Dakota, in extending the present program, would not provide

loan minimums for wheat and feed grains, as does the conference report. Rejection of the conference report would require passage of this alternative, which would face stiff opposition in the House.

Some Members may wish to use the farmer as a political football, but to tinker and delay would be to render a disservice to agriculture.

Commonsense dictates approval of the conference report. Any alternative other than approval of the report at this time would merely cause further delay to the farmers of this Nation.

FARMER WILL PAY

Let me emphasize—The farmer will be the one who pays for further delay. The wheat farmer is already paying, as some could have utilized the set-aside provisions if the conference report had passed prior to October 1.

So I think we must talk about the alternatives.

Let us now look at the USDA's appraisal of the conference report and examine it beyond income projection. They say the payments will be continued at the level needed to maintain farm income and that the set-aside provisions will keep production in line with needs and prevent crop surpluses. They will give the farmers of America a wider choice and freedom, and more decisions will be made on the farm instead of Washington or in some ASC office somewhere across America. Farmers will have a greater capability to shift acreage under the set-aside program.

This bill could open the door to opportunity for the American farmers.

Mr. President, I was pleased when in Kansas recently, I talked to State ASC committee members. They are concerned about the farmers of Kansas. As they assess the bill, in its early stages, if substitution of wheat and feed grains is permitted, they predict that it could be the best program farmers have had for many years.

I would be the first to say, as I have said in the past, that farm income should be improved more than this bill provides. I say it to my President as I did to the last President.

Six percent of the American people are farmers and produce the food for the rest of us. We spend less of our disposable income for food than any people in the world.

Some talk about subsidizing the farmers. In the opinion of the junior Senator from Kansas and of many Senators who represent farmers, this is, in effect, a subsidy for the consumers. Until we recognize this, what are the alternatives? What do we tell the farmers if we do not act on the bill today; that we will have a better bill? No. We will have what we had last year.

There is support for the program. There is support for Secretary Hardin. There is support for the great bipartisan work of the House and the Senate. This is not a Democratic bill. It is not a Republican bill. It is the result of the efforts and long, hard work by the chairmen of the Senate and House committees. It is a bipartisan effort because the Democrats control the Congress. They control the House and they control the Senate.

Farm organizations do support the conference report. It is supported by the National Grange, the National Association of Wheat Growers, the Washington Association of Wheat Growers, the National Federation of Milk Producers, and many other groups.

As I said earlier, we are talking about not just wheat, feed grains, cotton, wool, or dairy products. Also included is an extension of Public Law 480 which has literally saved hundreds of thousands of lives in the world because of the generosity of our Government and the American farmer.

There are decisions right now facing the Department of Agriculture with reference to the Wool Act, the dairy indemnity program, the special milk program for veterans, military hospitals, and the authorization for Class 1 base plans for milk.

The Senator from Kansas does not imply that all of these programs will go by the board if the Senate does not act favorably today. But as a junior Member of the Senate, I do say it is time we act. The farmers have waited long enough.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. DOLE. I will yield in just a moment.

Mr. President, I ask unanimous consent at this point to have printed in the RECORD telegrams received from the National Grange, the National Association of Wheat Growers, the Washington Association of Wheat Growers, the National Milk Producers Federation, a letter from Secretary Hardin concerning this proposal, and suggestions for administering the program—which I find to be completely compatible—the very excellent recommendations adopted by the National Grange, and a letter from Hendrik S. Houthakker with reference to a letter circulated by one farm organization that this administration is bent on destroying the family farmer.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PASSAGE OF AGRICULTURAL ACT OF 1970

Resolved, that the National Grange, assembled in its 104th Annual Session at Boise, Idaho, November 16, 1970, urges immediate and affirmative action on the Agricultural Act of 1970.

Although falling short of National Grange objectives we find the farm bill better than the other two alternatives: (1) no new legislation—revert back to old laws totally unacceptable to agriculture (2) simple extension of the Food and Agriculture Act of 1965 would leave farmers without fixed floors under wheat and feed grains and without the improvement in the dairy title.

The Committee recommends that a copy of this resolution be immediately transmitted by telegram to Senators Hugh Scott and Mike Mansfield, Minority and Majority leaders of the Senate.

WASHINGTON, D.C.,
November 17, 1970.

HON. ROBERT J. DOLE,
Senate Office Building,
Washington, D.C.:

We support passage of the conference report on pending farm legislation. While the legislation has many shortcomings, proper administration could regulate production and maintain producer income. The alternative of a referendum is not in the best interest of wheat producers at this time. Other suggested remedies would appear to unreasonably delay and jeopardize obtaining any farm program.

E. L. HATCHER,
President, National Association of Wheat Growers.

RITZVILLE, WASH.,
November 18, 1970.

Senator ROBERT J. DOLE,
Senate Office Building,
Washington, D.C.:

We wish to express our appreciation for your diligent efforts in behalf of passage of a farm bill and its steerage through conference committee, to a report that gained acceptance by the House and Administration. While it's true, our wheat producers would have liked better income provisions it is now more important they be assured of passage. In the absence of a program they have gambled that a program along the lines of committee report would be enacted and have planted accordingly. It would be disastrous for them if they now had to revert to the old permanent farm law because of failure of passage of this bill. To tamper with the version that has already gained House acceptance is to invite eventual defeat. While feed grains, spring wheat and cotton can wait until spring for a bill, it would be unconscionably to subject the winter wheat farmer to this risk and uncertainty. This position fully supports the position of National Association of Wheat Growers.

JACK R. FELGENHAUER,
President, Washington Association of Wheat Growers.

WASHINGTON, D.C., *November 14, 1970.*

Senator BOB DOLE,
Washington, D.C.:

We urge your vote to adopt the conference report on H.R. 18546, the Agricultural Act of 1970, which contains dairy provisions of extreme value to dairy farmers.

PATRICK B. HEALY,
Secretary, National Milk Producers Federation.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., November 18, 1970.

HON. ROBERT DOLE,
U.S. Senate.

DEAR SENATOR DOLE: Within a day or two, the Senate will be considering the Conference Committee report on the Agricultural Act of 1970. It is fitting that I again affirm the Administration's strong support of the report.

The Senate-House Conference committee reported out a good bill. It is a bill that reflects the bi-partisan effort so prevalent during the past several months as we moved toward progressive, workable farm legislation.

The Act is a good one because it meets the major criteria for any farm legislation . . . that of protecting and improving farm income. The Act insures that payments will be continued at a level needed and offers added protection if market prices drop. The set-aside provisions will prevent price-depressing crop surpluses. Overall, the bill will encourage broader markets for U.S. farm products and provide the flexibility farmers need to service these broader markets, crop by crop.

Under the Act, farmers will move away from frozen crop acreages of the past toward a wider choice of crops in the future. With this greater capability to shift production to meet immediate market needs, farmers can utilize their resources to produce their most favorable crops. This will bring about more efficient use of land by enabling farmers to plant the acreage not set-aside to any crop

as the market and not the government might dictate. The broader use of acreage will also remove the inequity faced by some farmers who by the circumstances of the base years were forced to inequitably low acreages in order to participate in past programs.

The greater flexibility in farm production patterns along with pricing as reflected by market needs will influence output toward those crops most needed for actual use both at home and abroad.

With the great changes taking place in world food production and trade, it is unthinkable that U.S. farmers be forced to rely on outmoded legislation. The alternative for cotton, feed grain and wheat farmers is clear cut.

Under the permanent legislation, wheat producers would be forced to plant less acreage and get smaller certificate payments than under the Agricultural Act of 1970. Feed grains would return to an average loan of 80 to 90 cents per bushel with no provision for either price-support or diversion payments. Cotton would be priced out of the domestic market by a higher loan which would force domestic mills to use synthetic fibers as cotton piled up in the CCC invntory.

The attached summary shows the direction farm income and government costs would take if the Agricultural Act of 1970 is not accepted by the Senate. At this late date, the issue is whether farmers can get an up-dated farm program or be forced to return to legislation fashioned a decade ago for different circumstances.

Sincerely,

CLIFFORD M. HARDIN,
Secretary.

SUMMARY OF KEY PROGRAM PROVISIONS AND PROGRAM RESULTS: COTTON, WHEAT AND FEED GRAINS—1971 PROGRAM ALTERNATIVES COMPARED WITH 1969 AND 1970 PROGRAMS BASED ON ESTIMATES DEVELOPED AUG. 25, 1970. THIS DOES NOT TAKE INTO CONSIDERATION REVISIONS IN CROP REPORTS SINCE AUG. 25, 1970, AND THE EFFECT OF CORN BLIGHT IN PROGRAM DETERMINATIONS FOR 1971 CROP.

			1971 crop alternatives		
				No new legislation	
	1969 crop	1970 crop	Act of 1970	Yes[1]	No[2]
Summary: Cotton, wheat and feed grains:					
Farm value of production	$9,639	$9,952	$10,221	$10,806	$11,180
Payments to farmers	3,325	3,296	2,995	744	
Gross income	12,964	13,248	13,316	11,550	11,180
Budget expenditures	4,209	3,832	3,838	3,282	3,636

[1] Yes vote on wheat referendum—Marketing quotas in effect.

[2] No vote on wheat refrendum—No marketing quotas.

RESOLUTION PASSED AT NATIONAL GRANGES' 104TH ANNUAL MEETING, BOISE, IDAHO, NOVEMBER 16, 1970

ADMINISTRATION OF FARM PROGRAMS

In all farm program administration, there should be maximum participation and involvement of people at the community, county, state and national levels. The times demand both dedication and involvement in the implementation of farm programs.

The Secretary of Agriculture honored us with his presence at the National Grange convention one year ago and stated that the objective of this administration is to maintain farm income. The achievement of this objective is of paramount importance to farmers. We therefore call for action by the Secretary that will protect farm income, strengthen the family farm structure and expand markets for U.S. farm products. We urge that the Secretary use the discretionary authority as may be granted him in the Act of 1970 to achieve these objectives.

We further recommend:

That substitution and freedom to plant provisions, except for set-aside and conserving base acres, give reasonable flexibility to areas and individual producers.

That exercise of this substitution for any given year shall in no way reduce the producer's historic base.

That the Secretary of Agriculture shall carefully weigh the impact of other commodities of making payments not related to the planting of a definite percentage of the crop for which payment is being made.

That preliminary payments under the 1970 Agricultural Act to participation producers be made immediately after July 1 to ease the producers' financing arrangements for the crop season.

And that program information for each crop season be made available to producers by July 1 for fall-planted crops and January 1 for spring-planted crops.

Statement in lieu of Resolution Nos. 91 by Anderson; 274 by Herrian; 435 by Ross; and 451 and 452 by Ingwersen.

ADMINISTRATION OF COTTON PROGRAM

Be it resolved:

1. that excess planting above the base will not be counted as history in establishing bases in future years.

2. that no loan will be made available for cotton produced on land in excess of the base whenever the carry-over reaches the 7.2 million bales referred to in the legislation.

3. that no-aside above the amount necessary to achieve legislative objectives will be required.

4. that 2x1 "skip row" planting will be counted as "set-aside" if any other combination of "skip row" farming is approved as set-aside.

Resolution No. 510 by Caldwell.

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., November 19, 1970.

Hon. BOB DOLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOLE: I have become aware of highly misleading reports on the Administration's farm policy that are apparently being circulated by the National Farmers Organization. Several months ago I saw three representatives of the NFO, and these reports are apparently based on a completely distorted account of this conversation.

As you know, the Administration, including Secretary Hardin and myself, have long been defenders of the family farm. Secretary Hardin's statements speak for themselves; as to my own views, let me just quote a sentence from a publication of mine that came out before I ever went to Washington: "In fact this relative decline [of agriculture] does not even imply the much-lamented disappearance of the family farm, which on the contrary is likely to become even more dominant among the various types of farm production."

The rumor put out by NFO that the Administration wants to drive family farmers off the farm and turn the land over to corporations is of course the exact contrary of the truth. The only surprising thing is that there are people who are willing to believe this obvious nonsense.

The farm bill worked out between the Administration and the Agricultural Committees of Congress, while not perfect in all respects, will support farm income while giving farmers the needed flexibility to adjust to changing circumstances. In my view it represents the best that can be achieved for agriculture at the present time, and the bill deserves the support of all those who are genuinely concerned about U.S. agriculture and the economy in general. I wish you every success in your efforts to secure passage of this important legislation.

Yours sincerely,

HENDRIK S. HOUTHAKKER.

Mr. DOLE. Mr. President, it is the opinion of the junior Senator from Kansas that the one who will pay for any delay is the farmer, not any Member of the Senate. There may be some short term political gain by saying there could be a better farm bill. That is true of most anything.

The winter wheat farmer has already planted his crop. Those who have spring crops are now faced with the same dilemma.

I agree with the distinguished majority leader, the Senator from Montana (Mr. MANSFIELD), who said on October 14:

> The bill itself is not all that I desired, but, all things considered, it is a good bill, and it is the kind of bill I will vote for.

That was a statement made by the distinguished majority leader on October 14 on page S18085 of the CONGRESSIONAL RECORD.

It is not as bad a bill as some of the critics believe. It is not as good as some of the proponents would have us to believe. But it is the result of the untiring efforts of the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and many others concerned with agriculture in America.

It is the best possible bill we could achieve for the farmers at this time. Therefore, I urge adoption of the conference report.

Mr. President, I yield now to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. MURPHY. Mr. President, I thank the distinguished Senator from Kansas.

I have listened with great attention to the Senator's statement. I, too, appreciate completely the problem that the committee is faced with. I have the greatest affection for the chairman of the committee and respect his capability.

I think that earlier in the colloquy the Senator from Georgia stated the case quite simply. He said that this is not a perfect bill and that we have not had a

perfect farm bill or many other such bills. But it is the only farm bill we have today.

For some 30 years I have been concerned with the plight of the farmers in my State of California, which, I think, is possibly the largest farming State. It has the greatest variety of crops.

The farmers in my State have been suffering unbelievable hardships and harassments and have faced very serious problems. They have had to put up with many hardships. Their income is down. Their crop production is up. They produce greater crops and receive a smaller return from their investment and their work.

They have been beset by labor problems—some necessary, some proper, but many unnecessary. They were forced into mechanization in many crops. That will change the picture. It does away with farm labor and replaces that labor with machinery.

This has contributed to high employment rates in my State.

I have talked to the farmers in the valley. The distinguished Senator from Kansas (Mr. DOLE) has just spoken of the winter wheat. The farmers of California have been waiting for 8, 10, or 12 weeks.

The farmers in California have to know the conditions when they go to the bank and borrow money to put the crop in the ground. They have not known the conditions. Lots of acreage will not be planted. The entire community will feel the effects of this.

They asked, "When will the conference report be taken up?" I told them it would be immediately after Congress had reconvened. At long last, we have gotten to it today.

As I said at the outset, this is not a perfect bill. But it is the only bill we have. I beg those who are not familiar with the details of the problems to adopt the conference report today so that these hard-working people across the country can get on with the job. They have suffered long enough.

I am certain that there are built-in protections if mistakes are made in the bill.

No one wants to work a further hardship on the farmers. I enthusiastically urge Senators to vote for this measure, and vote for it today. The farmers in my State have already suffered too much, they have waited too long, and I do not think they can wait any longer.

Mr. MILLER. Mr. President, I would like to make a brief statement for the RECORD regarding the action taken by the conferees on a section of the Senate passed bill relating to the importation of second wheat flour clears. Many of us in Congress have been concerned for some time about closing the loophole occasioned by the present classification of this product by the Bureau of Customs. Over a year ago I wrote to Treasury officials on this subject, and a letter to me from the Department of the Treasury has been made a part of the conference report on page 31.

As one of the conferees who participated in the extensive negotiations of the conference committee, I wish to indicate not only my own position on this question, but what I feel to be the position of the conferees. So long as the Department of the Treasury allows this product to enter this country ex-quota and ex-duty, it will be impossible to achieve parity for the production of domestic second flour clears as well as to uphold the theory under which the wheat marketing certificate system is presumed to operate. It is for this reason that the conferees recommend that this imported product which is used primarily in food processing be classified for tariff purposes as a milled grain product fit for human consumption.

In addition to this argument of principle there is also a very sound economic argument which I wish to place before the Senate prior to its vote on the conference report. I am vitally concerned about the loss of revenue caused by present Bureau of Customs regulations. The Department of Agriculture estimates that the eventual loss to the wheat marketing program will exceed a million dollars. Current estimates by the Department peg the loss of revenue at about $225,000 annually.

Favorable action on the conference report will mean that the Senate strongly urges Treasury officials to act with dispatch in adopting regulations, which will first close an obvious loophole working to the detriment of domestic wheat producers, and, second, will save a considerable amount of money for the Federal Treasury and the agricultural programs of the Department of Agriculture.

Mr. President, looking at this agriculture bill from the standpoint of feed grains, which is, of course, the predominant interest of my State, I think the feed grains people should understand that the failure to take action on this bill could result in one of two things. At the very best it might result in a 1-year extension of present programs, which some opponents have suggested they would like to have. If that were done it would cost feed grain producers an estimated $55 million next year. At worst, and most likely, would be the fact there would be no bill at all, in which event we would revert to the old 1958 act and prior basic legislation. That would be a disaster to feed grain producers. According to figures from the Secretary of Agriculture, it would cost them $1.6 billion next year. There are similar adverse consequences in connection with wheat, which I will not belabor at this point.

I think we have a better program than we have now. It is not what most of us would like to have. I have never seen legislation that includes everything that all of us would like to have. It is easy to talk about so much more here and so much more there, but that is political talk; it is not practical talk which must respond to the varied interests here in Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by the Secretary of Agriculture on November 18, 1970, which shows the comparison between having this bill enacted and not having this bill enacted and either winding up with the prior law or no law at all.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., November 18, 1970.

Hon. JACK MILLER,
U.S. Senate.

DEAR SENATOR MILLER: Within a day or two, the Senate wil be considering the Conference Committee report on the Agricultural Act of 1970. It is fitting that I again affirm the Administration's strong support of the report.

The Senate-House Conference committee reported out a good bill. It is a bill that reflects the bi-partisan effort so prevalent during the past several months as we moved toward progressive, workable farm legislation.

The Act is a good one because it meets the major criteria for any farm legislation . . . that of protecting and improving farm income. The Act insures that payments will be continued at a level needed and offers added protection if market prices drop. The set-aside provisions will prevent price-depressing crop surpluses. Overall, the bill will encourage broader markets for U.S. farm products and provide the flexibility farmers need to service these broader markets, crop by crop.

Under the Act, farmers will move away from frozen crop acreages of the past toward a wider choice of crops in the future. With this greater capability to shift production to meet immediate market needs, farmers can utilize their resources to produce their most favorable crops. This will bring about more efficient use of land by enabling farmers to plant the acreage not set-aside to any crop as the market and not the government might dictate. The broader use of acreage will also remove the inequity faced by some farmers who by the circumstances of the base years were forced to inequitably low acreages in order to participate in past programs.

The greater flexibility in farm production patterns along with pricing as reflected by market needs will influence output toward those crops most needed for actual use both at home and abroad.

With the great changes taking place in world food production and trade, it is unthinkable that U.S. farmers be forced to rely on outmoded legislation. The alternative for cotton, feed grain and wheat farmers is clear cut.

Under the permanent legislation, wheat producers would be forced to plant less acreage and get smaller certificate payments than under the Agricultural Act of 1970. Feed grains would return to an average loan of 80 to 90 cents per bushel with no provision for either price-support or diversion payments. Cotton would be priced out of the domestic market by a higher loan which would force domestic mills to use synthetic fibers as cooton piled up in the CCC inventory.

The attached summary shows the direction farm income and government costs would take if the Agricultural Act of 1970 is not accepted by the Senate. At this late date, the issue is whether farmers can get an up-dated farm program or be forced to return to legislation fashioned a decade ago for different circumstances.

Sincerely,

CLIFFORD M. HARDIN,
Secretary.

SUMMARY OF KEY PROGRAM PROVISIONS AND PROGRAM RESULTS

[Cotton, wheat and feed grains—1971 program alternatives compared with 1969 and 1970 programs based on estimates developed Aug. 25, 1970. This does not take into consideration revisions in crop reports since Aug. 25, 1970, and the effect of corn blight in program determinations for 1971 crops.]

			1971 crop alternatives		
				No new legislation	
	1969 crop	1970 crop	Act of 970	Yes [1]	No [2]
Summary—Cotton, wheat, and feed grains:					
Farm value of production	9,639	9,952	10,221	10,806	11,180
Payments to farmers	3,325	3,296	2,995	744	
Gross income	12,964	13,248	13,316	11,550	11,180
Budget expenditures	4,209	3,832	3,838	3,282	3,639

[1] Yes vote on wheat referendum—marketing quotas in effect.
[2] No vote on wheat referendum—no marketing quotas.

Mr. YOUNG of North Dakota. Mr. President, when the Senate-House conferees on the pending farm bill reached agreement I was one of the minority of the Senate conferees who voted against the approval of the compromise farm bill. I did not sign the conference report.

I did say at that time and during the past political campaign that I would vote for the adoption of the conference report as I thought it was the best that could be obtained from the House. A month has elapsed since this conference report came to the Senate that time and the situation is not quite the same as it was then.

I will vote to return the bill to the conference committee for two major reasons:

One: All of the winter wheat has been planted which is about 75 percent of the total production and means that many of these wheat producers cannot fit their operation into the new provisions of the pending farm bill.

Two: Most of the farmers of my State and their farm organization leaders seem convinced that they could get a better farm bill by sending it back to conference. I wil vote to send it back to conference in the hope that they will succeed.

Mr. HOLLAND. Mr. President, this was a very difficult matter. The conferees met many times, almost continuously, during the 3 weeks that the bill was in conference. Many difficult concessions had to be made in order to reach an agreement, and three of the seven Senate conferees did not sign the report.

These concessions had to be made because without them there would have been no bill, and a bill is essential to the health of this Nation's economy. It is essential in order to assure consumers of adequate supplies and farmers of an adequate return. It is essential in order to keep Government costs within reasonable bounds. It is essential in order to prevent the destruction of important industries.

When Secretary of Agriculture appeared before the Senate Committee on Agriculture on March 23, 1970, to testify on farm legislation he indicated as shown on page 749 of the hearings, the production, income and cost effects of falling back on basic farm legislation rather than enacting new legislation.

He said, and I quote:

We estimate that if there is no new legislation, feed grain production would outrun use by 20 to 40 million tons—that is between 700 million and 1.4 billion bushels in corn equivalent, to get it in a frame of reference which you all understand better—virtually all of which would wind up in CCC hands.

Now, I might add that the analysis regarding corn may not prevail in 1971 due to the southern corn leaf blight. But, certainly it applies in any normal year.

Cotton production might exceed use by as much as 6 mililon bales, which also would come into CCC inventory. If wheat quotas were approved, the carryover would probably decline slightly; if they were rejected, production might outrun use by 200 to 300 million bushels.

May I just say, these are our best guesses. A great many people have had a hand in making these estimates. They are not infallible, but are an informed estimate of what would happen.

We estimated some time ago that during the first year of the return to basic legislation, net farm income might fall by $800 million below the level of the present program if wheat quotas were approved, and by $1.3 billion if they were rejected. Recent review indicates that the decline would probably be greater than that.

In the second and third years, as livestock production increased and prices of meat animals fell, income losses would be still greater.

While Government costs would at first decline, they would later increase through rising handling and storage costs and through export subsidies for wheat and cotton.

The House of Representatives has approved the conference report by a vote of 190 ayes to 145 noes. The Senate today has the opportunity to approve the report and assure the enactment of this essential legislation.

With respect to many provisions of the bill there is no controversy. These provisions are important. They are needed, and they should be enacted.

The question of payment limitations has been a troublesome one for several years. The 1971 agricultural appropriation bill, as passed by the Senate, contains a $20,000 limitation. When the farm bill now before the Senate was first considered by the House of Representatives on August 5 a number of amendments, in addition to the Committee amendment which was adopted, were offered on this subject. One—the Findley $20,000 amendment—was rejected by a teller vote of 134 ayes to 161 noes. The rest were rejected by voice vote. On September 15 when the farm bill was first considered in the Senate an amendment proposed by the Senator from Illinois, Mr. SMITH, providing for a $20,000 limitation was rejected by a vote of 21 yeas to 44 nays. The provision in the conference report for a limitation of $55,000 per person per crop of wheat, feed grains, or cotton has been approved by the administration, the appropriate committees of the House and Senate, both Houses of Congress, and the conferees. The conference report should be approved so that it can become law.

There were no serious questions with respect to title II, the dairy provision. We have had authority for class I base plans since 1965, and one area has now had a marketing order providing for such a plan for some time. That authority expires at the end of this year. It should be extended and certain improvements which have been found necessary should be made. The only significant difference between the House and Senate with respect to such extension was that the House provided for a 3-year extension while the Senate would have made the authority permanent. The conference substitute provides for a 3-year extension, but permits an order issued prior to the end of such 3 years to remain in effect until the end of 3 additional years.

Both bills provided more flexibility for dairy price support operations—by repealing the mandatory butterfat support provision—and extended the Armed Forces milk program and the milk indemnity program. The Senate amendment, in addition, extended the indemnity program to processors, and the conference substitute adopts this provision but limits it to losses occurring after enactment of the bill.

There is no controversy as to title III, which extends the wool program with an amendment fixing the support price at 72 cents for shorn wool and 80.2 cents for mohair. This is an important program and it should be extended.

There were a number of differences in the wheat titles of the two versions and some of these differences were very controversial. Among the more controversial, the Senate provision—

First, extended the 1965 act program for 1 year, and gave wheat producers the opportunity to vote for its extension to 1972 and 1973; and

Second, provided a minimum loan of $1.25 and a maximum set-aside of 75 percent of the farm domestic allotment.

The conference substitute does not extend the 1965 act, nor does it permit its extension as the result of a referendum. The set-aside program would be effective for all 3 years, 1971–73, as provided by the House bill, but with a minimum loan of $1.25 as provided by the Senate amendment. The maximum set-aside would be 13.3 million acres in 1971 and 15 million acres in 1972 and 1973—on the basis of estimated participation and allowing for reduced set-aside requirements for farmers in summer-fallow areas.

The following provisions of the Senate amendment were dropped in conference:

First, a provision requiring loans on farm-stored wheat and providing for mandatory extension of such loans;

Second, a provision increasing payments to small, low-income wheat farmers;

Third, a provision requiring advance payments within 60 days of signup;

Fourth, a provision requiring persons processing flour second clears, gluten, or other wheat products to obtain marketing certificates in certain circumstances; and

Fifth, a provision extending the 1973 wheat program authority to the 1974 crop in the absence of further legislation before planting of the 1974 fall seeded crop.

In dropping the provisions with respect to farm-stored loans and flour second clears, the conferees noted that the Department can take care of these matters administratively. The Department assured the conferees that loans would be available, and would be extended, for farm-stored wheat in accordance with past policy. The conferees expect the Administration to take prompt and appropriate action to resolve the situation with respect to the flour second clears.

The principal point of controversy in the case of feed grains was the Senate provision preserving the parity concept. As passed by the House, the target price to be used in determining the payment rate was $1.35 per bushel for corn. The Senate made the target $1.35 or 75 percent of parity, whichever is greater. The conference substitute makes it $1.35 or 70 percent of parity, whichever is greater; but total payments in 1973 cannot exceed total payments in 1972 by reason of the target being above 68 percent of parity. The conferees further agreed to a direction in the Statement of Managers on the Part of the House directing the Secretary to make every effort to maintain the market price for corn at a level which will not require a payment in excess of 32 cents whenever 70 percent of parity exceeds $1.35.

The conferees agreed to Senate provisions for a minimum loan for corn of $1.00 per bushel, and for commensurate reduction of the 32 cent preliminary payment whenever the set-aside is reduced below 20 percent. They rejected Senate provisions for mandatory loans on farm-stored feed grains; mandatory inclusion of barley in the set-aside program; increases in payments to small, low-income producers; and malting barley exemptions.

Title VI, which deals with cotton, presented the most difficult problem faced by the conferees. The House conferees were adamant on most provisions of this title; and the Senate provisions dealing with marketing quotas, lease and sale of allotments, and the size of the national base acreage allotment have been omitted from the conference substitute. In lieu of the Senate marketing quota provisions the substitute provides that if the carryover for 1972 or 1973 exceeds 7.2 million bales, loans will not be available on cotton planted in excess of the farm base acreage allotment, and the Secretary may limit the amount of acreage planted in excess of such allotment. The House lease and sale provision was adopted with an amendment restricting leases and sales to farms having old farm allotments. The national base acreage allotment would, as provided by the House bill, be 11.5 million acres for 1971, and such acreage in 1972 and 1973 as the Secretary determines necessary to maintain adequate supplies, the payment rates for such subsequent years being adjusted inversely to the size of the national allotment.

As in the House bill, the payment rate would be based on the difference between the average market price and the target price, rather than the loan level and the target price as provided in the Senate bill. The parity concept was retained as provided by the Senate bill; and the loan level was based on the actual past average world market price as provided in the Senate version, rather than the estimated future world market price as provided by the House bill. The anniversary loan provision of the Senate amendment was adopted with a minor modification to limit the storage charges which could be accrued against the cotton when the Government took possession.

Under the House bill the maximum set-aside which could be required under the cotton program was one equal to 33⅓ percent of the farm base acreage allotment. The Senate provided for a maximum set-aside equal to 12½ percent of the farm acreage allotment. The conference substitute provides for a maximum set-aside equal to 28 percent of the farm base acreage allotment.

The Senate provision for research and promotion was adopted with an amendment providing authority for an additional $10 million for 1972 and 1973, to be deducted from producers' payments in excess of 15 cents per pound.

The conference substitute adopts the Senate provision for increased payments to small cotton farmers with amendments deleting the income standards; substituting 5,000 pounds for the 3,600 pounds small farm criterion provided by the Senate; and restricting the provision to producers who reside on the farm, derive their principal income from cotton produced on the farm, and actually produce the cotton for which the increased payment is made. This provision is applicable only to very poor farmers, and it will help to keep them from adding to our urban and welfare problems.

Title VII extends Public Law 480, which provides for the use of our agricultural abundance to aid our friends abroad. This, too, is an important program, one on which there is no real disagreement.

Title VIII contains miscellaneous provisions with respect to the cropland conversion program, boiled peanuts, beekeeper indemnities, harvesting and storage of hay from diverted acres for future emergencies, and Farmers Home Administration appropriations. There was some controversy concerning the scope of the cropland conversion program and a proposed farmer adjustment program, but otherwise this was not a controversial title. The House provision with respect to the scope of the cropland conversion program was adopted, and the Senate provision for a farmer adjustment program was omitted.

The Senate added a title IX dealing with rural development, and the substance of this title is incorporated in the conference substitute.

Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point a comparison of H.R. 18456 as passed by the House, Senate amendment thereto, and conference substitute.

There being no objection, the comparison ordered to be printed in the RECORD, is as follows:

COMPARISON OF H.R. 18546 AS PASSED BY HOUSE, SENATE AMENDMENT THERETO, AND CONFERENCE SUBSTITUTE

1

House—provides for no change in legal status of producer-handlers.

Senate—requires Secretary to maintain past policy with respect to exempting producer-handlers.

Conference—adopts House provision. Statement of Managers will direct Secretary to maintain past policy.

2

House—extends Class I base plan authority 3 years.

Senate—makes Class I authority permanent.

Conference—adopts House provision, except that the authority would continue in effect until December 31, 1976 with respect to any Class I base plan order issued prior to December 31, 1973.

3

Senate—extends milk indemnity program to manufacturers of dairy products.

Conference—adopts Senate provision, but limits it to losses occurring after enactment of H.R. 18546.

4

House—makes wheat set-aside program applicable to 1971–1973 crops.

Senate—extends 1965 Act wheat program for 1971 (with additional provisions for $1.25 loan, farm-stored loan, and advance payments), and provides for referendum to determine whether such program or set-aside program shall apply to 1972 and 1973 crops.

Conference—makes wheat set-aside program applicable to 1971–1973 crops. Maximum set-aside for 1971 would be 13.3 million acres. Minimum allotment for 1971 would be 19.7 million acres.

5

Senate—provides for minimum wheat loan of $1.25 per bushel.

Conference—adopts Senate provision.

6

Senate—provides for mandatory loans on farm-stored wheat.

Conference—rejects Senate provision. Statement of Managers will state that Department has advised it will make such loans available.

7

Senate—increases face value of wheat marketing certificates by 30 percent for producers on farms with domestic allotments not over 160 acres and who had average annual sales of farm products of not more than $5,000 and off-farm earned income of not more than $2,000.

Conference—rejects Senate provision.

8

Senate—limits wheat set-aside to 75 percent of farm domestic allotment.

Conference—limits wheat set-aside to 13.3 million acres for 1971. 15 million acres for 1972 and 1973.

9

Senate—extends to 1973 Secretary's discretionary authority to impose acreage limitations on wheat.

Conference—adopts Senate provision.

10

House—language with respect to grazing and cropping of wheat and feed grain set-asides is more definite with respect to prohibiting grazing during the 5 principal growing months, but contains conflicting language with respect to payments and harvesting of crops.

Senate—language is more mandatory with respect to permission to graze sweet sorghums, but less clear with respect to grazing during the 5 principal growing months.

Conference—adopts House language with respect to prohibiting grazing during 5 principal growing months, Senate language with respect to other matters.

11

Senate—provides for advance payment of 50 percent of wheat and feed grain diversion payments within 60 days of signup.

Conference—rejects Senate provisions.

12

House—provides for (1) issuance as soon as practicable after July 1 of wheat marketing certificates having a preliminary face value equal to 75 percent of the estimated final face value, and (2) for a preliminary payment in the feed grain program as soon as practicable after July 1.

Senate—(1) provides for advance within 60 days of signup of an amount equal to 75 percent of estimated final face value, (2) makes it clear that the certificates do not have to be held by the producer in order to obtain the full final value, and (3) provides for preliminary feed grain payment within 60 days of signup.

Conference—adopts House substance, Senate clarifying item (2).

13

House—preserves history on wheat and cotton acreage not planted because of "a condition beyond the control of the producer".

Senate—preserves history on wheat and cotton acreage not planted because of "a quarantine imposed by the county, State, or Federal Government". In addition, Senate preserves history of cotton acreage not planted because of a payment limitation.

Conference—adopts House provision. Statement of Managers will make it clear that failure to plant acreage covered by payment limitation will not result in loss of history.

14

Senate—requires persons processing flour second clears, gluten or other products of wheat for which processing certificates have not been obtained in the commercial production of food products for human consumption to obtain such certificates.

Conference—rejects Senate provision. Statement of Managers will direct administration to take appropriate action.

15

Senate—extends 1973 wheat program to 1974 crop at discretion of Secretary if no new legislation is enacted in advance of the planting season for 1974 fall seeded wheat.

Conference—rejects Senate provision.

16

Senate—provides for minimum corn loan of $1.00 per bushel.

Conference—adopts Senate provision.

17

Senate—provides for mandatory loans on farm-stored feed grains.

Conference—rejects Senate provision. Statement of Managers will state that Department has advised that it will make such loans.

18

Senate—requires that barley be included in feed grain set-aside program.

Conference—rejects Senate provision, leaving inclusion of barley to discretion of Secretary.

19

Senate—sets corn target price for payment purposes at 75 percent of parity if that is above $1.35.

Conference—sets target at 70 percent if above $1.35, but total payments in 1973 could not exceed total payments in 1972 by reason of target being above 68 percent.

20

Senate—increases feed grain payments by 30 percent for producers on farms with feed grain base acreages not over 160 acres and who had average annual sales of farm products of not more than $5,000 and off-farm income of not more than $2,000.

Conference—rejects Senate provision.

21

Senate—preserves history of feed grain base not planted by producer who foregoes payments on unplanted acreage. (Same provision is in both House bill and Senate amendment for wheat at page 26, line 4.)

Conference—adopts Senate provision.

22

Senate—extends to 1973 crop Secretary's discretionary authority to impose acreage limitations on feed grains.

Conference—adopts Senate provision. Makes it clear that wheat may be substituted for barley, oats, and rye.

23

Senate—provides for malting barley exemption.

Conference—rejects Senate provision.

24

Senate—provides for proportionate reduction in preliminary (32 cent) feed grain payment if set-aside is less than 20 percent.

Conference—adopts Senate provision.

25

House—suspends cotton marketing quotas.

Senate—(1) continues marketing quotas, (2) reduces minimum national allotment to 14.5 million acres, to be apportioned on the basis of the base acreage apportionment, (3) authorizes Secretary to increase each farm allotment to permit planting of cotton on set-aside, (4) authorizes the Secretary to apportion additional acreage not exceeding 25 percent of the national acreage allotment to any producers who will produce cotton. Production from additional acreage under (3) and (4) would not qualify for price support loans.

Conference—suspends marketing quotas. If carryover for 1972 or 1973 exceeds 7.2 million bales, no loans would be available on the overplant, and Secretary would have discretion to limit overplant.

26

Senate—cotton base acreage allotment lease and sale provisions differ from House provision in that—

(1) Senate limits lease and sale to persons who are dependent on cotton for a livelihood and will produce cotton;

(2) Senate, like House, repeals referendum requirement for sale or lease across State line, but does not adopt House requirement that county committee of transferring county find absence of need in that county and approve transfer; and

(3) Senate retains the following provisions of existing law (not retained by House bill) which (A) give the Secretary discretion to permit transfers, (B) prohibit sale of allotment from a farm to which allotment has been sold during the preceding three years, (C) limit the total allotment of a farm buying or leasing allotment to its 1965 allotment plus one hundred acres, (D) prohibit planting an acreage in excess of the remaining allotment during the lease period on farms from which allotment is leased and for five years after sale on farms from which allotment is sold, and (E) limit recording of transfers with the county committee to the period June 1–December 31.

Conference—adopts House provision with an amendment limiting sales and leases to transferees who are old cotton producers.

27

House—provides national cotton base acreage allotment of 11.5 million acres in 1971, amount determined necessary by Secretary to maintain adequate supplies for 1972 and 1973.

Senate—provides minimum national cotton base acreage allotment for all three years of 14.5 million acres, minus percentage thereof equal to set-aside percentage.

Conference—adopts House provision.

28

House—provides cotton loan level to reflect for middle one-inch (micronaire 3.5 through 4.9) 90 percent of the estimated world price.

Senate—provides cotton loan level to reflect for middling one-inch (no micronaire specification) 90 percent of average world price for such cotton for the 2 year period ending July 31 prior to the year in which the cotton is produced, except that adjustment may be required to keep U.S. cotton competitive. Senate requires publication of procedures used in determining world price and requires loan level to be announced not later than November 1 of year preceding year of production.

In addition, Senate requires loan to be for a term of 1 year (anniversary date type loan).

Conference—adopts Senate provision with House language re micronaire. Provides for a loan term of 10 months, and there must not be more than 60 days accrued charges at time of loan.

29

House—provides for cotton payments at a rate equal to the difference between the market price and 35 cents per pound, the rates for 1972 and 1973 being adjusted to compensate for any increase or decrease in the national base acreage allotment above or below that for 1971.

Senate—provides for cotton payments for all three years equal to the difference between the loan level and the greater of 35 cents or 65 percent of parity.

Conference—adopts House provision with an amendment to include 65 percent of parity as an alternative target.

30

Senate—provides 30 percent increase in payment rate for producer on a farm with an allotment not in excess of 10 acres (or 3,600 pounds) and with average annual sales of farm products not exceeding $5,000 and off-farm earned income not exceeding $2,000.

Conference—provides 30 percent increase in payment rate for producer on a farm with an allotment not in excess of 10 acres (or 5,000 pounds) if producer resides on the farm, derives his principal income from cotton produced on the farm, and actually produces the cotton on which the increase is paid.

31

House—provides for cotton payments based on the average yield of the acreage planted to upland cotton during the 3 preceding years adjusted for abnormal yields caused by natural disaster.

Senate—provides same, except that—

(1) Senate uses harvested acre yields,

(2) Senate substitutes 1970 farm projected yield for actual yields in 1968 and 1969, since actual yield figures are not available, and

(3) Senate provides that for any year the average yield established for any year shall

not be less than that used in making payments for the preceding year if the total production in such preceding year is not less than the yield used in making payments for such preceding year multiplied by the farm base acreage allotment for such preceding year (for 1970, the farm domestic allotment). This would permit a farmer to cultivate a larger acreage less intensively without reducing the yield used in making payments.

Conference—adopts Senate provision.

32

House—provides maximum cotton set-aside equal to 33⅓ percent of farm base acreage allotment.

Senate—provides maximum cotton set-aside equal to 12½ percent of farm acreage allotment.

Conference—provides maximum cotton set-aside equal to 28 percent of farm base acreage allotment.

33

Senate—authorizes a voluntary diversion program for cotton.

Conference—adopts Senate provision.

34

House—provides for minimum CCC cotton resale price of not less than 110 percent of loan rate for middling one-inch (micronaire 3.5 through 4.9) adjusted for appropriate value factors, plus reasonable carrying charges.

House provision is effective only for August 1, 1971, through July 31, 1974.

Senate—provides for minimum CCC cotton resale price of not less than 110 percent of the loan rate plus an allowance for carrying charges which will reflect commercial rates and interest at the prevailing rate charged by CCC on cotton loans. Senate provision would be permanent.

Conference—adopts House provision.

35

Senate—provides for a cotton research and promotion program financed by up to $10 million of funds which would have been paid to producers but for the payment limitation.

Conference—adopts Senate provision and provides for an additional $10 million to be deducted from producers' payments in excess of 15 cents per pound.

36

Senate—authorizes participation of alcoholic beverage industry in market promotion under P.L. 480.

Conference—rejects Senate provision.

37

Senate—increases the amount of foreign currencies earmarked for educational and cultural exchange from 2 percent to 5 percent of total annual sales; and permits use of foreign currencies for such purpose without appropriation.

Conference—rejects Senate provision. Retains 2 percent earmark and provides for appropriation of foreign currencies, rather than dollars, for educational and cultural exchange.

38

Senate—specifies that cropland conversion contracts must be for 3, 5, or 10 year periods, instead of up to 10 years.

Conference—rejects Senate provision.

39

House (A)—provides for additional payment if public access is permitted.

Senate—requires that in every contract producers agree to permit public access.

Conference—rejects Senate provision.

House (B)—provides for joint appointment and consultation of Advisory Board by Secretaries of Agriculture and Interior, and joint issuance of regulations.

Senate—provides for these functions being performed by the Secretary of Agriculture after consultation with the Secretary of the Interior.

Conference—adopts Senate provision.

40

Senate—restricts acreage in cropland conversion program to such as will not adversely affect the county or local community.

Conference—adopts Senate provision.

41

House—restricts Greenspan program to "cropland".

Senate—restricts it to "productive agricultural land".

Conference—rejects Senate provision.

42

House—restricts Greenspan program to rural areas, defining rural areas as areas not including a town of 5,500.

Conference—adopts House provision except for defining rural areas.

43

House—restricts Greenspan to contracts costing not more than contracts with producers.

Conference—adopts House provision.

44

Senate—provides for sharing costs with other Federal agencies.

Conference—adopts Senate provision.

45

House—increases the limit on total payments in any year under section 16(e) from $10 million to $50 million for producers and $40 million for State and local agencies (During each of the fiscal years 1971, 1972, and 1973, and during the first six months of fiscal 1974, the Secretary could enter into agreements (A) with producers calling for annual payments of $10 million, plus unused authority from prior years, or a total of $50 million, and (B) with State and local agencies calling for annual payments of $10 million, plus unusued authority from prior years.)

Senate—authorizes agreements entered into during 1971, 1972 and 1973 to cover up to 18 million acres at the rate of 6 million acres per year, plus carryover of unused authority from prior year.

Conference—adopts House provision.

46

Senate—authorizes use of CCC funds until June 30, 1972, to carry out the cropland conversion program.

Conference—adopts Senate provision.

47

Senate—requires Secretary under the cropland conversion program to safeguard the farming opportunities of tenants and sharecroppers.

Conference—adopts Senate provision.

48

House—extends boiled peanut exemption 3 years.

Senate—extends boiled peanut exemption permanently.

Conference—adopts Senate provision.

49

House—provides for a beekeeper indemnity program.

Conference—adopts House provision.

50

Senate—permits producer to plant and harvest forage from wheat, feed grain, and cotton set-aside or diversion and store for future emergency periods declared by the Secretary. Secretary may make loans for forage storage facilities.

Conference—limits provision to baled hay.

51

Senate—authorizes a farmer adjustment program under which Secretary may purchase allotments for cash from, and make $2,500 in adjustment payments to, a farmer who has average annual sales of farm products of $5,000 or less and off-farm earned income of $2,000 or less.

Conference—omits this provision.

52

Senate—amends Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants), and for direct real estate loans to farmers and ranchers under subtitle A shall remain available until expended. Senate also provides that unused authorizations for appropriations under section 306 shall carry over from year to year.

Conference—adopts Senate provision.

53

Senate—commits Congress to a sound rural-urban balance, and provides for annual reports on planning assistance, technical assistance, and government services and utilities, and provides for a report on or before July 1, 1971, on financial assistance.

Conference—adopts Senate provision in principle.

October 9, 1970

Mr. HOLLAND. Mr. President, I wish to emphasize two points. First, the question of limitation of payments has torn apart the agricultural community and Congress, and alienated the urban people of our Nation for some years. Those limitations have been worked out in this bill. In my prepared remarks I showed the votes in the House and in the Senate.

In the Senate we rejected an amendment which would have reduced the $55,000 figure for commodities which we have in this bill to $20,000, and we voted it down by more than 2 to 1 when we passed on that matter.

That limitation of $55,000 for the commodities in this bill has been agreed upon by vote in both Houses and in the conference report it has been agreed upon by the House. I would hesitate very much, indeed, to see us plunge that matter back into discussion because it is a highly controversial subject.

The second thing I wish to say is that in my judgment it would be a disaster all the way around for us to have no bill and to revert to the 1958 legislation. Senators other than I have mentioned what would happen in feed grains and wheat. I want to mention the cotton situation.

If we revert to the 1958 situation we would at once begin building up the hurtful surpluses which were created under that particular legislation, and what is more we would again price ourselves out of international markets and bring about a situation under which the farm program would receive the hostility, and rightfully so, of the urban population and others not familiar with agricultural conditions.

Particularly for these two reasons, the fact that the limitations question will be put at rest and a trial will be made under this legislation for 3 years in which time we can see how well it works; and for the reason that, in my judgment, the 1958 law, if we return to it, would bring very bad conditions to the wheat people, to the feed grain people, and particularly to the cotton people, I am hopeful that this conference report can be approved as it is.

Mr. JORDAN of North Carolina. Mr. President, first I wish to commend the conferees for coming out of this con-

ference with as good a report as they did. I am a member of the Committee on Agriculture and Forestry and I know the hours and hours and days and days the Committee on Agriculture spent trying to work out a bill.

We know in our own minds that we had a better bill than the House had. We went to conference with it. Some of the things in our bill were not sustained. It is disheartening. I know the conferees were not happy with it and I understand why. They did the best they could and they came out with scars as a result of what happened with respect to the bill.

During the time we were at home in the past month I made it a point to visit the farm organizations. I spoke to the grange at their annual meeting. I found that our people were not particularly happy with the bill, but they were not unhappy with it. They said they would have preferred the Senate version. But they are anxious to get a farm bill as quickly as they can. Their idea was to support the conference report and get a bill. They say they can live with it and they are anxious that we get a farm bill quickly so they will know what they are going to do.

Mr. AIKEN. Mr. President, the arguments for and against approval of the conference report have been well made. I think those who are in favor of approving the report have had the best of the argument. I hate to think of what would happen to agriculture in this country if the report should be rejected. I hope it will be approved.

Mr. MANSFIELD. Mr. President, because of the fact that a time limitation has been agreed to I will keep my remarks short.

Soon after the election, Jim Stephens of Dutton, Mont., Bob Brastrup of Great Falls, Charles Smith, of Chester, Joe A. Renders, of Great Falls, Jack Gunderson, of Power Montana and others, came back to Washington seeking to find a solution for the adjustment to Montana's conservancy base in agriculture—that is nonplanted acres. The Governor of Montana also wrote to me as well as the State Department of Agriculture and many interested Montana farmers and ranchers.

While here in Washington, these gentlemen met with officials at the Department of Agriculture but received no satisfaction as a result. It was hoped that some assurances would be obtainable prior to the vote on the conference report, but this could not be given to the above named Montanans who sought such assurances.

The pending bill, in their judgment, provides no production restraints. It is thought that within the conference report is the possibility of a staggering overproduction of grain crops in the next 3 or 4 years. The present conservancy base adjustment for all other Western States except Montana will be one of the principal contributors to this problem.

I have also received a letter from an old friend, Jim Stephens, who reiterated the group's desire to get the Montana grain farmers on an equitable basis in "this business of producing grain."

I am also in receipt of a letter from Mr. Robert Brastrup, executive secretary of the Montana Wheat Research & Marketing Committee and I ask unanimous consent that it and a reply from J. A. Asleson be incorporated at this point in the RECORD and also a letter from the honorable Jack Gunderson as well as a letter which I sent to Secretary of Agriculture, Clifford M. Hardin on November 14 along with some enclosures and the reply I received from Mr. Hardin on November 18, 1970.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MONTANA WHEAT RESEARCH & MARKETING COMMITTEE,
Great Falls, Mont., November 16, 1970.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Enclosed is a statistical report that is a correction of the original material which you received concerning conserving base acres. You will notice that the percentages in the right hand column are changed slightly. This is a downward adjustment in most cases due to our access to correct figures.

Also enclosed is a letter from the Director of the Agricultural Experiment Station at MSU, Dr. J. A. Asleson. He indicates that the Experiment Station is recognizing the alternate crop fallow method of production may not be the best for Montana in the long run. We are sorry we did not have this information when we visited with you last week.

Thank you for your efforts. We are sure that they will show results.

Yours very truly,

ROBERT BRASTRUP,
Executive Secretary.

MONTANA STATE UNIVERSITY,
COLLEGE OF AGRICULTURE,
Bozeman, Mont., November 6, 1970.

Mr. ROBERT BRASTRUP,
Executive Secretary,
Research and Marketing Committee,
Great Falls, Mont.

DEAR BOB: A question has been raised as to the need for a downward adjustment of Montana's conserving acreage base. The method of alternate crop-fallow production widely used in Montana results in about half of the grain land not being cropped each year. There is some feeling that there is no alternative to the crop-fallow system, therefore the high conserving base creates no real hardship. I should like to reply to this argument using research results of the Montana Agricultural Experiment Station.

Long-term research has shown that yields for two years from continuously cropped land are usually 25–75% greater than the single yield in two years from alternate crop-fallow land. Cost of production could be reduced by adopting systems of continuous or intermittent cropping in lieu of the crop-fallow system in much of Montana, especially areas having over 14 inches of precipitation, or with highly desirable precipitation patterns.

Research has provided improved weed control, production practices, fertilizer usage and improved varieties. When these are combined with adequate production credit many of the benefits attributed to alternate crop-fallow production disappear. Consequently, I feel that many Montana farmers would discard or modify this system if the crop acreage restrictions favoring high yields per planted acre did not act as a retardant to change.

Another important area in this discussion of method of grain production relates to quality of environment, especially in regards to air and water quality. Summer fallowed surfaces are subject to the onset of wind and water erosion. Eroded soil and attached materials become contaminants of both the air and surface water. Snow is not effectively trapped by fallow ground and blows into coulees and other areas where spring runoff may be both wasteful and damaging.

About 80% to 90% of annual precipitation is lost during the fallow year and is not available for plant growth in the succeeding year. Large amounts of water run off the soil surface. Additional moisture is lost by surface evaporation. When water intake is above the water holding capacity of the soil there may be downward movement of water removing soluble materials, including plant nutrients, from the soil. The dissolved materials may move into the ground water supply and become contaminants. This water may move laterally and eventually come to the surface, forming salt spots and ruining valuable land and vegetation. Some 56,000 acres of wet and saline land have become unfit to produce crops in Montana, presumably from this situation. Some 1.8 million acres of land are collecting moisture and contributing to this situation. Contaminated water not coming to the surface may remain in the system with its potential for human, industrial, animal or plant use greatly restricted.

These comments, based on research results and observations, cast doubt on the desirability of leaving large acreages of land in fallow, a practice which is favored by conserving acreage base regulations and other regulations of the farm program.

Very truly yours,

J. A. ASLESON,
Director.

FARM PROGRAM COMPARISON—MONTANA AND COMPETING WHEAT STATES

State	1970 cropland	1970 conserving base	1971 wheat allotment	1971 domestic (45 percent)	1971 set-aside (75 percent)	Conserving base plus set-aside	Free acreage available to plant 1971	Acres to plant as percentage of total cropland
Kansas	29, 867, 000	5, 870, 000	8, 279, 804	3, 725, 912	2, 794, 434	8, 664, 434	21, 202, 566	70. 9
North Dakota	27, 235 000	6, 412, 000	5, 710, 319	2, 569, 644	1, 927, 233	8, 339, 233	18, 895, 767	69. 3
Oklahoma	12, 887, 000	1, 864, 000	3, 814, 596	1, 716, 568	1, 287, 426	3, 151, 426	9, 735, 574	75. 5
Montana	14, 902, 000	6, 797, 000	3, 054, 998	1, 374, 749	1, 031, 601	7, 828, 061	7, 073, 939	47. 4
Nebraska	20 476, 000	3, 657, 000	2, 448, 134	1, 101, 660	826, 245	4, 483, 245	15, 992, 755	78. 1
Texas	35, 152, 000	2, 866, 000	3, 160, 122	1, 422, 055	1, 066, 541	3, 932, 541	31, 219, 459	88. 8
Idaho	5, 720, 000	1, 817, 000	922, 645	415, 190	311, 392	2, 128, 392	3, 591, 608	62. 8
South Dakota	17, 725, 000	3, 364, 000	2, 143, 388	964, 525	723, 393	4, 087, 393	13, 637, 607	76. 9
Colorado	10, 598, 000	3, 046, 000	2, 003, 366	901, 515	676, 136	3, 722, 136	6, 875, 864	64. 8
Minnesota	22, 039, 000	3, 370, 000	778, 045	350, 120	262, 590	3, 632, 590	18, 406, 410	83. 5

Footnotes on following page.

[1] 1969 cropland figure for Oklahoma, 1970 figure not available.

NOTES

If Montana had 74.5 percent of its total cropland available, which is the average of its 9 competing States, we would have 11,101,990 acres free to plant in 1971 instead of the 7,073,939-acre total.

1970 cropland and conserving base figures and 1971 wheat allotments were obtained from the U.S. Department of Agriculture. Domestic allotments computed at 45 percent of total allotment because national domestic figure of 19,700,000 acres is 45 percent of national allotment.

1971 set-aside is computed at 75 percent although the law specifies 13,300,000 acres as maximum set-aside in 1971 program and that is 67½ percent of 19,700,000 acres set as national domestic allotment, the USDA is using 75 percent to allow for noncompliers.

MONTANA STATE HOUSE
OF REPRESENTATIVES,
Helena, Mont.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MANSFIELD: I am sorry I did not have a chance to visit with you while I was in Washington, D.C. Our delegation was very short on time and we thank your staff for the help they gave us while we were there.

I had to leave Washington, D.C. early Wednesday to attend a Health Occupation Conference in Salt Lake City. I, therefor, asked the other members of our delegation to express my thoughts to your staff about the soil conserving acreage problem in Montana and about the farm bill in general.

I believe we presented a very good case to the Department of Agriculture about the unequal competitive position that Montana is in in relation to other wheat states because of the inequities in soil conserving adjustments. Regardless of whether these adjustments are right or wrong, in other states, we will not be able to compete with them, if they are able to raise 3 acres of wheat for only 2 that we can raise.

The Dept. personnel did not dispute the figures we presented, except for 67½% we used to establish the set aside acreage. We should have used 75% because some farmers will not stay in the program. Therefor, the percentage of crop land to plant is less than we show for all of the states we used. They also refused to release the figures for the states, that we did not have, so we could compare them to Montana.

I am sure the Dept. of Agriculture will not, administratively, take action to relieve the situation in Montana, unless pressure can be brought on them, which I hope you can do. Regardless of the outcome of farm legislation, we must do something with the soil conserving acreage in Montana, if we are to possibly compete economically with other states.

The farm bill, in general, is still bad for all producers because of the lack of mandatory production controls that the Secretary of Agriculture must use. This may not be crucial the coming crop year, because the winter wheat crop is seeded and not too much additional acreage can be seeded in the spring wheat states. The following year, though, it could lead to the biggest wheat glut in history. The Secretary is given the authority to impose controls, but he has stated he did not want them and he would not use them.

I therefor believe, the bill should be delayed or killed entirely until the next session of congress. I realize that passage of farm legislation is extremely difficult, but if this bill passes it will be harder to do so in the future, because farmers will be facing bankruptcy and taxpayer costs will raise out of reason.

Dr. Walter Wilcox, of the Legislative Reference Service, has estimated that 15 to 20 million additional acreas of wheat production will result under the set aside program and the cost to the government will increase 1 billion dollars. This will lead to the biggest glut of wheat in history and lead to the end of all farm programs.

Senator Mansfield, I know you stated that the farm bill would be passed as soon as Congress reconvened. I believe you could reconsider your position because of information that we and others have developed during the recess. Many Montana farmers are very concerned and I am sure that you will have their full support. The Secretary of Agriculture has almost unlimited authority, under the bill, and I can not understand why he does not announce program decisions before the bill passes, so we know where we are at.

I know that you are as concerned about this as I, and that you will do everything you can to better the situation.

Sincerely yours,

JACK GUNDERSON.

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., November 14, 1970.

Hon. CLIFFORD M. HARDIN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The attached statement and figures indicating Montana's position in ranking with other grain producing states have recently been brought to my attention. I find the content of the enclosures to be a distinct indication of blatant and unjust discrimination, affecting not only Montana's individual grain producers, but Montana's continued economic growth and viability as a major agricultural state.

Montanans must be given an equal opportunity in the harshly competitive enterprise of producing, transporting and marketing grain products. The conserving base plays a vital part in the set-aside program embodied in the present proposed farm legislation which will be before the Senate in the immediate future. As provided, the total of conserving base acres serves as an upper limit on acres available for crop production. Within the past three weeks, individual farmers, farm organizations, the Montana Department of Agriculture and the Wheat Research and Marketing Committee have determined the following information:

Montana's conserving base represented 45.6 percent of its total cropland, compared to an average of 19.8 percent for competing states, and approximately 22 percent for the nation.

In the five year history of conserving bases, competing states have had downward adjustments averaging 25.5 percent in such acreage, but Montana has had only 11.4 percent reduction.

As the new farm program couples conserving base with a compulsory set-aside, competing states will have an average of 75 percent of their total cropland available to plant to wheat (or other crops), while Montana will be limited to 48 percent.

I think it imperative that it be clearly understood that Montanans are not seeking a competitive advantage. What they are asking is an equal opportunity to utilize Montana's land resources. At best, economically feasible crops are limited. Montana must remain competitive in wheat terms if the State's agriculture and economy are to grow and prosper.

It would be my hope that I need not elaborate at this time upon the absolute necessity for a firm and forthright commitment from the Department of Agriculture that an equitable adjustment will be made, bringing Montana into line with other states. I would sincerely appreciate being appraised of your decision within the next 48 to 72 hours. I am, of course, appreciative of your attention to this matter and regret that conditions are such as to require a response within the indicated time period.

Thanking you, and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD,
Majority Leader, U.S. Senate.

GENERAL COMMENTS RELEVANT TO ATTACHED DATA ON CONSERVING BASE—FARM PROGRAM

Agriculture's importance to Montana's economy needs no verification and wheat income in relation to over-all agricultural economics is also well understood.

What seems to escape us frequently in Montana is the need to protect ourselves as a wheat state in the harshly competitive game of producing, transporting and marketing wheat in relation to other states producing similar classes of wheat.

The accompanying statistical information on conserving bases and projected effect of the new national farm legislation tell a gloomy story of Montana's competitive status.

Farmers and farm organizations are loosely knit and lack the expertise and resources on a continuing basis to keep our state as a whole in the proper competitive perspective.

Our reliance then—properly or improperly—falls upon the governmental, semi-governmental and quasi-governmental bodies and the agricultural establishment at Montana State University to take stock of the over-all picture for wheat growers and keep Montana in the first rank competitively.

Montana's wheat farmers find themselves in dire need of that type of guidance, assistance and direction in the problems herein revealed regarding conserving bases and the new farm program.

Several significant aspects of this development are not related in the accompanying statistical tables:

(1) After the inequities in conserving bases were brought to public attention in late 1969 and early 1970 by the Montana Grain Growers Association, a seven-county group at Chester, and others across the state, indication was given by the U.S. Dept. of Agriculture that an adjustment of 12 per cent, or 850,000 acres, was possible; the Montana ASCS later in making the adjustment indicated it would be 7 per cent, or 500,000 acres; but the *actual* adjustment (never reported publicly) was 5 per cent, or 366,600 acres!

Also, while it was indicated this was an individual state adjustment to correct an acknowledged inequity in Montana, Kansas received a 9 per cent adjustment (576,300 acres) and Colorado received an 18 per cent adjustment (679,800 acres). These adjustments were made despite the fact Montana's conserving base at that time was 49 per cent of its cropland compared to 22 per cent for Kansas and 35 per cent for Colorado.

(2) The problems of blowing top-soil and alkalinity in connection with double-summerfallow are widely known, yet under the projected terms of the new farm program Montana will have 547,912 acres in the double-summerfallow category in 1971 and even more in 1972 and 1973 when setaside acreages increase.

The terms of the new farm program tend to lock Montana in as a summer fallow state, writing a farming practice into law, so to speak. This comes at a time when many of our farmers are getting away from the practice, plant and soil scientists are increasingly advising against it, and the trend is definitely away from summerfallow rather than hard and fast acceptance. Montana's farmers at least deserve the farm program opportunity to make their own choice.

(3) The only "saving" factor, if there is one, in the new farm program for Montana growers lies in the fact that winter wheat growers are limited to the planting deter-

minations they already have made for next year, while spring wheat states, under set-aside, will be able to increase acreage in vast amounts the coming crop year (Montana, North and South Dakota, Minnesota).

(4) Perhaps any adjustments in conserving bases should be mandatory with each grower being notified of the change in his acreage rather than basing such changes on individual farmer requests. It would appear such an approach would result in greater equity among the farmers within a community, county, and state.

In summary, what the Montana grain grower wants and is requesting is not an advantage but an equal opportunity to sustain his livelihood as a producer the same as his colleagues in the other wheat states.

The choices in Montana are not great—either our growers stay competitive in wheat and barley or they face an extremely dismal future.

It is interesting to note, in that regard, that the new farm program permits (with the Secretary's authorization) the growing of wheat to retain cotton acreage history—is there equity in therefore permitting Montanans to grow cotton to retain wheat history when the glut comes and that crop is no longer saleable?

CONSERVING BASE AND CROPLAND RATIOS, A COMPARISON 1966–70—MONTANA AND COMPETING WHEAT STATES

State	Conserving bases			Cropland 1970	1970 conserving base as percent of cropland	Conserving base change 1966–70		Adjustment downward in last 5 years (percent)
	1966	1969	1970			Acres	Percent	
Kansas	7,486.4	6,446.3	5,870	29,867	19.6	1,616.4	78.4	21.6
North Dakota	7,982.4	6,643.4	6,412	27,235	23.5	1,570.4	80.3	19.7
Oklahoma	2,532.0	1,891.9	1,864	[1] 12,887	14.0	668.0	73.6	26.4
Montana	7,673.5	7,163.6	6,797	14,902	45.6	876.5	88.6	11.4
Nebraska	4,527.4	3,952.0	3,657	20,476	17.9	870.4	80.8	19.2
Texas	4,663.7	2,869.0	2,866	35,152	8.2	1,797.7	61.5	38.5
Idaho	2,490.3	1,893.8	1,817	5,720	31.8	673.3	73.0	27.0
South Dakota	4,155.0	3,397.7	3,364	17,725	19.0	791.0	81.0	19.0
Colorado	4,592.3	3,725.8	3,046	10,598	28.7	1,546.3	66.3	33.7
Minnesota	4,456.9	3,237.6	3,370	22,039	15.3	1,086.9	75.6	24.4

[1] 1969 cropland figure for Oklahoma, 1970 figure not available.

NOTES

If Montana had 19.8 percent of its total cropland in conserving base, which is the average of its 9 competing States, we would have 2,950,596 acres in conserving base instead of 6,797,000 acres.

If Montana had received the 25.5 percent downward adjustment in conserving base, which has been the average of its 9 competing States, we would have received a 1,957,253-acre adjustment in the last 5 years instead of 876,500 acres. Montana's conserving base then would be 5,718,247 acres instead of 6,797,000 acres. The conserving base in Montana, with such an adjustment, still would be 38 percent of the total cropland—highest of all the 10 wheat States in this comparison and double the average of the other 9.

FARM PROGRAM COMPARISON—MONTANA AND COMPETING WHEAT STATES

State	1970 cropland	1970 conserving base	1971 wheat allotment	1971 domestic (45 percent)	1971 set-acide (67½ percent)	Conserving base plus set-aside	Free acreage available to plant 1971	Acres to plant as percentage of total cropland
Kansas	29,867,000	5,870,000	8,279,804	3,725,912	2,514,991	8,384,991	21,482,009	72.0
North Dakota	27,235,000	6,412,000	5,710,319	2,569,644	1,734,510	8,146,510	19,088,490	70.0
Oklahoma	[1] 12,887,000	1,864,000	3,814,596	1,716,568	1,158,683	3,022,683	9,864,317	76.5
Montana	14,902,000	6,797,000	3,054,998	1,374,749	927,956	7,724,956	7,177,044	48.0
Nebraska	20,476,000	3,657,000	2,448,134	1,101,660	743,621	4,400,621	16,075,379	78.5
Texas	35,152,000	2,866,000	3,160,122	1,422,055	959,887	3,825,887	31,326,113	89.0
Idaho	5,720,000	1,817,000	922,645	415,190	280,253	2,097,253	3,622,747	63.0
South Dakota	17,725,000	3,364,000	2,143,388	964,525	651,054	4,015,054	13,709,946	77.0
Colorado	10,598,000	3,046,000	2,003,366	901,515	608,523	3,654,523	6,943,477	65.5
Minnesota	22,039,000	3,370,000	778,045	350,120	236,331	3,606,331	18,432,669	83.5

[1] 1969 cropland figure for Oklahoma, 1970 figure not available.

NOTES

If Montana had 75 percent of its total cropland available, which is the average of its 9 competing States, we would have 11,176,500 acres free to plant in 1971 instead of the 7,177,044 acre total.

1970 cropland and conserving base figures and 1971 wheat allotments were obtained from the U.S. Department of Agriculture. Domestic allotments computed at 45 percent of total allotment because national domestic figure of 19,700,000 acres is 45 percent of national allotment.

1971 set-aside is computed at 67½ percent because law specifies 13,300,000 acres as maximum set-aside in 1971 program and that is 67½ percent of 19,700,000 acres set as national domestic allotment.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., November 18, 1970.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: This is in response to your letter of November 14 together with enclosures, regarding the conserving bases established for Montana farms.

During 1970, we have reduced conserving bases on Montana farms by a total of 370,000 acres.

The proposed farm bill includes a provision which should be of substantial benefit to Montana farmers. Under the provision which limits the set-aside requirement on farms having 55% of the cropland devoted to summer fallow, Montana farmers would benefit by up to an estimated 250,000 acres.

Over the past several months we have reviewed administrative regulations under prior programs with regard to establishing and adjusting farm conserving bases. As a result of this review, we could not find that such administrative regulations were discriminatory with regard to any State or any county. The provision for adjustment of farm conserving bases under past programs provided a uniform authority to all county committees for making adjustments in farm conserving base under a specified set of guidelines. Every effort was made by our national and field offices to assure uniform interpretation of the adjustment provisions.

A comparison of the ratio of conserving base to cropland of one State to another would not appear to be valid because of the varied types of farming operations which are normally carried out in widely separated as well as in adjoining States due to varying climatic and rainfall conditions. Even adjoining counties cannot be compared equitably because of varying types of soil and topography. Conserving bases were initially established on an historical basis. This history reflected the varied farming operations being followed throughout the nation. It would appear to be inequitable to provide for a blanket downward adjustment in the conserving bases for all farms in the State of Montana, or any State without regard to the farming operations being followed by each individual producer. Not only would this be inequitable to producers in other States, but in the event that new farm legislation is enacted into law such action on our part would appear to be inconsistent with the intent of Congress and the objectives of the farm bill.

As soon as the farm bill is enacted into law, we plan on issuing administrative regulations which would continue the authority to make adjustments in conserving bases on individual farms.

Thank you for bringing this matter to our attention and for giving us the opportunity to comment on the conserving base provision of past and future program.

Sincerely,

CLIFFORD M. HARDIN,
Secretary.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, I wish to ask two questions of the manager of the conference report. The first question is: In the event this conference report is not approved is there a likelihood we will have no agriculture bill at all this session?

Mr. HOLLAND. That is my deep conviction.

Mr. PASTORE. Second, if we do not have a bill this session, do we revert to the 1958 law?

Mr. HOLLAND. We do.

Mr. PASTORE. Will that bring us back to the two-price system?

Mr. HOLLAND. It will and, in addition, start building up the heavy surpluses of cotton that we had under the 1958 bill, at least in my judgment, and destroying our chance to have any part in the world market.

Mr. SPONG. Mr. President, it is with reluctance that I intend to support the conference report on the Agricultural Act of 1970. I am fully cognizant of the plight of our agricultural economy, and am fearful that the report before us will do little to improve farm income.

However, if no legislation is enacted, the cotton program will revert to the permanent 1958 law, with its provisions

for two-price cotton. This would greatly stimulate exports of cotton textiles to the United States and very seriously complicate that problem. As a result of the noncompetitive price for cotton and the increased imports, farmers would be hurt financially and domestic cotton mills would suffer economic injury resulting in the loss of many jobs for textile workers. Obviously, the only reasonable course is to adopt the conference report on the farm bill which would extend competitive one-price cotton for 3 years.

Mr. EAGLETON. Mr. President, with parity now at its lowest level in the past 37 years—70 percent—it is astounding that the administration would be asking the Congress for authority to further reduce farm prices and farm income levels. Yet, that is just exactly what they are doing in the farm program before us as H.R. 18546.

Never before in the history of farm legislation has an administration demanded such broad authorities for setting price support and production control levels for farm commodities. Under H.R. 18546, the Secretary would have, in effect, a signed blank check to fill in as he sees fit. The esteemed chairman of the Senate Committee on Agriculture and Forestry, Senator ELLENDER, has aptly labeled it a "legislative monstrosity."

As a presidential candidate in September 1968 Richard Nixon called 74 percent of parity "intolerable" for farmers. "Farmers are entitled to better," candidate Nixon proclaimed, "and I pledge that in my administration they will have better." If this bill is passed, we can only pray that the administration will use its broad authority to make good on its promises.

H.R. 18546 is not a good farm bill and without full and proper use of the authorities it would grant to the Secretary, it could be disastrous to farmers and the farm economy—the bulwark of our national economy. It will be especialy disastrous to farmers in Missouri.

Mr. President, earlier in this debate my senior colleague (Mr. SYMINGTON) made an excellent and penetrating analysis of what he properly called this "incredible farm bill." I agree with Senator SYMINGTON that this bill "is certain to lower farm income."

Some argue that this bill is somewhat beter than the one we had in 1958. It may well be. But that is like saying leprosy is better than cancer.

All of the cosmetics in the world cannot make this bill look pretty. Therefore, Mr. President, I think we should return this bill to conference and come up with a bill that assists the farmers and the farm economy rather than adopt this bill which bludgeons the farmer and the farm economy.

Mr. PEARSON. Mr. President, I support the adoption of the farm bill conference report. The bill is not perfect. But killing the report and reverting to the old basic authority would definitely not be to the interest of wheat and food grain farmers. Their incomes would be significantly lower if we were to revert to the 1958 law.

The other alternative, to reject the conference report and seek to extend present law, is a questionable and hazardous move. There seems little likelihood that the House would agree to this. Moreover, it is simply not the case that wheat and feed grain farmers would be clearly better off under a 1-year's extension of the 1965 act. Indeed, there is evidence to the contrary.

The latest Department of Agriculture projections show that the gross incomes of wheat and feed grain farmers next year would be at least equal to and probably higher under the set-aside approach embodied in the conference report than under a simple 1-year extension of the present program.

For example, projected gross returns for Kansas wheat farmers are estimated to be $3 million per year higher under the set-aside than under an extension of the existing program. Department of Agriculture experts also predict that under the set-aside, returns to Kansas grain producers would be equal to or greater than under a 1-year extension.

I recognize that hard and fast predictions are not possible. Too many variables are involved. As a consequence there are varying and conflicting predictions of what the gross farm returns will be under the two approaches. But if one rejects both the high and low projections and splits the difference, it would appear that insofar as wheat and feed grains are concerned, results will likely be essentially the same under either approach.

Therefore, it seems to me it would be extremely hazardous to reject the conference report in an effort to secure a 1-year extension of the present program. This runs the very high risk of a stalemate between the House and the Senate with the result that we might have to revert to the old basic authority, under which, without question, wheat and feed grain farmers would be the worse off.

Because the set-aside approach differs in several respects from the present program there are some uncertainties. Arguments that it will work as well or better than the present program seem convincing. But should the set-aside not live up to its promise, corrective action can then be taken. Proceeding on this course would seem to be most reasonable and would minimize the risks of a legislative stalemate at this late stage of the year.

Mr. McINTYRE. Mr. President I plan to vote for the conference report on the farm bill.

I do not do this with any feeling that this legislation is the answer to the farm problem or that it is all that I hoped might be accomplished in this Congress.

I know there are those who believe that no bill would be better than this bill. I am aware that a substitute will be offered if this conference report is rejected.

However, I fear that the end result of such actions may be no farm bill at all, and I am not one who shares the view that this would be a step forward.

There are, I believe, good features in the conference bill.

For the first time we are putting limitations on farm payments. These limitations of $55,000 per crop, per farmer, are not what I believe they should be. I supported limitations in the amount of $20,000 petr farmer. But the limitations in this bill move in the right direction.

This bill has a good section on dairy. I think this program will be helpful to the dairy producers.

I also support the rural development section of the conference bill. I have long favored increased activity in bringing new viability to our rural areas. Thirty percent of our people live in the 98 percent of the land which forms our rural areas. But, we do not do enough to assure that these people can live a decent life and can find a future in rural America. I think they deserve assistance.

Mr. President these are some of the reasons I am going to vote for this conference report. I hope it will be adopted.

Mr. YARBOROUGH. Mr. President, today we are faced with deciding what type of farm policy this country will pursue for the next 3 years. The choices we have are clearly defined. We can accept the conference report on H.R. 18546 and, thereby, deliver a crippling, if not fatal, blow to farming as a family occupation, or we can reject this conference report and pass legislation which will continue the successful partnership between the American farmer and his Government which has existed since the 1930's. As the senior Senator from the State which leads the Nation in the production of feed grains, cotton, and rice, and which is third in the Nation in the number of farms, I cannot idly stand by and witness the destruction of the livelihood of over 398,000 Texans whose lives depend on agriculture. This conference report and its regressive programs represents a dramatic departure from farm policies which have proven to be successful and a return to the policies of the "Benson era" which drove so many small farmers off the land and into financial ruin. Surely we cannot have so soon forgotten those dark days in the history of America.

One of the most disturbing features of the bill the conferees agreed to is the unjust treatment of feed grain producers. In the Senate, Senator MONTOYA and I, together with several other Senators from feed grain producing States, were successful in passing an amendment which would provide that price support payments to feed grain producers would be paid on the basis of 75 percent parity. This amendment would have assured these farmers a fair and honest return for their efforts. Instead of accepting this amendment, the conferees adopted a formula which would restrict these payments to the difference between the higher of $1.35 a bushel and the average market price for the first 5 months of the marketing year. In addition, the Secretary of Agriculture is authorized to reduce these payments to 68 percent of parity if he finds that this is necessary to keep the 1973 payments from exceeding those made in 1972. In dollars and cents, this formula would cause the grain sorghum producers in Texas to lose an estimated $9.6 million in income in 1971, $15.9 in 1972, and $22.3 in 1973. Mr. President, the

feed grain farmers of Texas cannot stand such losses and hope to stay in business.

In addition, to the disasterous payment formula contained in this bill, the conference report has failed to continue the advance payment program which since 1965 has been an important aspect in financing the production of feed grains. The established practice had for several years been that a feed grain producer would receive an advance payment shortly after he signed up in the program. This advance payment was used by the farmer to finance the cost of planting his crop. During this year, the Secretary of Agriculture arbitrarily cancelled this program. The conference report codifies the Secretary of Agriculture's action by providing that advance payments will be made as soon as practical after July 1 of the year in which the crop is to be harvested. This means that the average feed grain farmer will have to seek the funds he needs to finance the planting of his crop in the commercial money market.

Many smaller farmers, who are already suffering under the heavy burden of inflation and low profits, simply cannot afford to pay the high interest rates charged by banks today. Thus, many small farmers will be locked out of the feed grain program as a result of the cancellation of advance payments. In January of this year, I joined with Senator MONDALE and 10 other Senators in introducing S. 3356 which would require the Secretary of Agriculture to make at least 50 percent of such payments in advance of determination of performance. This bill is designed to fix in our law the advance payment program. It would be a serious mistake to pass a farm bill without assuring that feed grain farmers will be entitled to advance payments.

In addition to the harm the bill agreed to in conference will do to feed grain producers it also poses a serious threat to the cotton producers of America. The bill establishes a parity formula that will seriously limit the support payments on cotton. Under the formula devised in conference, support payments would be determined by taking the difference between the higher of 65 percent parity or 35 cents and the average market price for the first 5 months of the marketing year. Under this formula, it is very possible that support payments will fall below 35 cents per pound. A more realistic approach to this problem would be to maintain support payments for cotton at 77 percent of parity.

Furthermore, the conference report invests the Secretary of Agriculture with extraordinary discretion in determing the basic acreage allotment on which support payments are to be made. More specifically, the conference report sets the basic acreage allotment at 11.5 million acres for 1971. For 1972 and 1973, the Secretary would be able at his discreation to recompute this acreage allotment. Based on past experience with the present Secretary there is no reason to believe that he would use this discretion to help farmers. On the contrary, during the 2-year period in which this administration has been in power, the Secretary of the Department of Agriculture has made a number of decisions which have seriously affected the farmers of this country. More specifically, the Secretary of Agriculture has:

First, cut the price protection on soybeans;

Second, refused to increase dairy price supports to the authorized 90 percent parity;

Third, cut the wheat acreage allotment by 12 percent;

Fourth, canceled advance feed grain payments; and

Fifth, refused to spend properly appropriated funds for the agriculture conservation program.

In the face of this antifarmer record, it seems painfully clear that the Secretary should not have the power to determine the cotton allotment.

As an alternative to the pending bill, I am a cosponsor of a bill, S. 4492, which will continue the programs under the present law which have been proven to be successful for a period of 1 year, thereby allowing Congress a second chance to devise a sound farm program. More specifically, S. 4492 would include the uncontested provisions of the conference report and continue the wheat, feed grains, and cotton programs under the 1965 act for 1 year. This is the only reasonable solution that can remedy this present situation.

Mr. President, these are but a few of the reasons why this conference report should be rejected. If we do not adopt a sensible solution to the ever-increasing number of problems that face the American farmer, we will soon see countless numbers of small farmers being driven out of business and forced into our overcrowded cities. Such a result would not only be bad for the farmers, but would seriously damage our whole economy. We cannot allow this to happen.

Adlai Stevenson wisely said:

> A society can be no better than the men and women who compose it. The heart of any farm policy must therefore be the life of those who work the farms. Our objective is to make that life full and satisfying.

Let us show our dedication to this ideal and defeat the conference report.

Mr. MATHIAS. Mr. President, traditionally the productivity of the American farmer has been perhaps the fundamental source of wealth in this Nation. It was the farmer who formed the vanguard in the settling of this continent and who led our revolution against colonial rule. His productivity in this country is unparalleled in the world. It is the very ability of our farmers to produce surpluses of food and raw materials that has led to the legislation before us.

The agriculture bill, when considered in light of its full impact on the farmer, the consumer, and the taxpayer, can only be called a harvest of paradoxes. How can it be that legislation conceived as a means of preventing excessive surpluses can simultaneously depress the income of the average farmer, force higher prices on the consumer, and still cost billions of tax dollars?

This bill before us does very little to solve the problems of this Nation. It does not consider the housewife at the grocery counter, already distraught that so many dollars can buy so little; nor does this bill serve the millions of small farmers whose relative incomes continue to diminish. This bill may be a step in the right direction, but it is still a patchup job built on the precepts of subsidy and control. This Nation needs a new approach to agriculture.

Where once the farmers looked to the land and the sky as a vehicle to economic and political independence, they are now confronted only with the specter of the latest manifesto of the Department of Agriculture. The embattled farmers resolutely stood at Concord, but are confused and bewildered by the welter of dicta which we impose upon them. For example, we stress set-aside in some areas but elsewhere circumvent it with technicalities. There are payoffs and restrictions, histories and certificates.

Few of the freedoms from arbitrary governmental interference won in our Revolutionary War are retained in the discretion of the farmers. Were it not for the multiplicity of the programs and the mysterious systems of subsidy and payoff, this legislation would take its place among the intolerable acts. It demeans the farmer to look to the Department of Agriculture for the latest bonus gimmick. His integrity and economic status are maintained in jeopardy by these arbitrary programs. But in the meantime food prices are higher than ever and the poor continue to pay the highest percentage of their income for food. These lowest income groups continue to bear the burden of taxes which subsidize the corporate farmers. May I suggest that every extra penny we spend for bread and every extra dollar we spend on subsidy is exactly inflation. Still we are not moving ahead quickly enough to retire excess farmlands. To enhance the environment, we are not making our lands available to recreational use as the President so rightly recommended.

In June of last year, our distinguished minority leader, the late Senator Everett McKinley Dirksen, discussed with me the need for basic changes in our agricultural policies. As a result, Senator Dirksen and I introduced S. 2524 with 18 other Senators as cosponsors. It was our feeling then, and it is even more true today, that there is a need to develop new, more effective, and less costly government programs for agriculture.

There is clearly a need for a change in approach. This was the spirit which prompted us to introduce S. 2524 last July. This fact was recognized by President Nixon during the 1968 campaign when he said:

> A new look must be given to a Government policy which has brought us to a station where 21 percent of the farmer's realized net income comes directly from the Government. Those who control the purse control the power—and the new programs that are designed should insure a fair return—while reducing this dangerous level of dependency on an arbitrary political power.

The bill recognizes that it is impossible to make a drastic, sudden change in the direction of policy without seriously disrupting and hurting our agricultural economy. The legislation, therefore, proposes a gradual but consistent turn away from Government subsidies.

I believe that we must recognize that, while American agriculture is one of our most important industries, there are other problems also demanding our effort and attention. I think we must consider seriously the amount of Federal money which we can afford to spend on our farm programs. If the current approach were providing effective help and satisfactory incomes to farmers, it could be justified. However, when one looks at the record of the current program against the cost involved, it becomes hard to explain to consumers and taxpayers why we must continue to invest billions in subsidies which do not solve the problems of American agriculture.

In voting for the bill before us, we are voting to perpetuate inflation at its very basis, we are voting to maintain higher taxes and food prices and we are voting not to help our farmers, but to keep them in need of our continued help. A vote against this bill is a vote for a fresh approach, an approach which will bring reason to the marketplace and relief to the taxpayer. It will be a vote for the integrity and historical independence of the American farmer.

I urge the Senate to reject the conference report.

Mr. ALLOTT. Mr. President, first, I must restate my sincere disappointment in the delay in calling up the farm bill. Such inaction is further torment for America's farmers. Only yesterday I received a letter from an agonized constituent relating that another young man had abandoned farming as a career. His departure was not primarily motivated by pure economic considerations as one might think, but rather by the uncertainty which surrounds the farm program. When high operating costs and low commodity prices were topped off with having to plant next year's crop without knowing the nature of the regulatory program, the latter became the "straw that broke the camel's back." Can there be any doubt as to why so many farmers consider their future to be bleak?

Even though I have doubts on how well the new provisions of this bill will work, and even though I would like to see higher price support loan levels and the tying of farm income to parity, I intend to vote for the conference report. The committee members are to be commended for the long hours and hard work spent this past year trying to come up with a new and better program. There are new ideas in this bill. I think they are worth a try.

Some urge us to reject the conference report because they want more for our farmers. They say that if we reject the conference report, and if we pass an alternative proposal, then maybe the House conferees will accept previously rejected features of the Senate bill, or maybe the House will pass the alternative proposal. Mr. President, based upon my observations of the speed of the deliberations thus far this year on the farm program, there are too many "if's" and "maybe's" in that reasoning for me. The potential loser in further dilly-dallying with this measure is the farmer.

I urge that the Senate pass the conference report and put an end to agricultural uncertainty—at least for another 3 years.

AMERICA'S LAMB AND WOOL INDUSTRY

Mr. HANSEN. Mr. President, as the Senate prepares to discuss the conference report on H.R. 18546, the Agriculture Act of 1970, I wish to comment briefly on an area that is covered by this legislation.

H.R. 18546 includes a provision extending the National Wool Act of 1954, and the Wool Act, in turn, contains a provision—section 708—which authorizes a check-off from payments to producers for the purpose of funding a promotion and advertising program for the lamb and wool industry. This program in carried out by the American Sheep Producers Council, and while there is no absolute means of gauging in strict terms the effectiveness of an advertising program, I think most would agree that the ASPC efforts have been worthwhile.

The sheep industry today faces many problems, many of which are inherent in the radical changes sweeping the agricultural industry of this country. Improved technology has forced the trend toward large corporation farming, and in the case of the lamb and wool industry, increasing use of synthetic fibers and an increasing influx of foreign imports has compounded the problem.

The sheep industry, in 1955, organized the American Sheep Producers Council to help the industry maintain a handhold in the free enterprise system and to increase demand in this country for lamb and wool products.

Since 1955, the U.S. Department of Agriculture has conducted five nationwide producer referendums to ask producers if they wish to continue the ASPC advertising program. In each instance, at least two-thirds of the producers participating in the programs authorized under the National Wool Act indicated they wished to continue contributing to the budget for the ASPC so that this advertising could be carried out.

Presently, the system provides a budget of about $3 million annually for the council's programs. This money is obtained by subtracting from individual producer payments under the Wool Act an amount equal to one and one-half cents for each pound of shorn wool, or seven and one-half cents per hundred pounds of live-weight, unshorn lamb.

If the Congress approves H.R. 18546 without changing the provisions affecting the Wool Act, the Department of Agriculture will, next year, conduct another nationwide producer referendum in April to determine if a majority of producers wish to continue the advertising program authorized in section 708 of the act.

I am confident that producers will again indicate their willingness to continue this responsibility of promoting their products; the decision is up to them.

Another example of the industry's desire to enhance its competitive position is the comparatively new sheep industry development program, undertaken by the domestic industry, which is designed as a self-help measure to bring the latest technology in production and marketing to the industry.

The results of this new resurgence, in an industry that ranks as one of the most important in my State of Wyoming, should be obvious within the next year or two as these programs give new life and hope to producers.

Mr. MUSKIE. Mr. President, I know of no other American industry where the Federal Government plays such a major role as in agriculture, nor of any other segment of our population where Federal policy has such a direct economic bearing than in the farm community.

We have found, in the past, that such Federal support is necessary, to protect not only the agricultural community but the rest of our economy as well from the uncertainties of a fluctuating market.

Today, our farm economy is in trouble. The constantly improving efforts of farmers, and the advance of agricultural science and technology, promise ever increasing production of farm products. But the price the farmer receives for his products seems always to fall. In August of this year, prices for raw farm commodities dropped more than during any single month since October 1948. In spite of a considerably larger gross income, inflation and rising production costs have left the average farmer with little more net income than he was earning 5 years ago.

Our farmers deserve and need better treatment. Most Americans eat as well or better than people in any other nation. And we pay less out of our dollar for food than citizens in any other industralized nation.

Yet in spite of the growing rural crisis, which has forced countless farmers to flee to the overcrowded urban areas over the last two decades, the bill which we have before us now, H.R. 18546, would force farm income to decline even further, while prices continue to rise.

The conference bill has concentrated a wide, almost arbitrary, authority in the office of the Secretary of Agriculture.

The bill has abandoned the concept of parity. Although the word parity appears on paper, it is set at a rate for feed grains so low as to be virtually meaningless. This in spite of Mr. Nixon's comments 2 years ago that a parity rate of 74 percent was intolerably low.

Advance payments have been eliminated.

Set-aside programs for wheat and feed grains are unlimited, subject to the discretion of the Secretary of Agriculture.

In short—in the aftermath of a 1968 Republican campaign pledge to provide "a more direct voice for the farmer in shaping his own destinty," we now have a bill which will lower farm income at an estimated cost to farmers of more than $1 billion over the next 3 years.

Is it of no concern to the administration that hundreds of thousands of small farmers, who cannot today make ends meet, will be driven off the farm?

It would appear not.

Are we to sacrifice the small family farmer for the sole sake of efficiency, at the cost of more overcrowding of our cities which today are struggling to cope with millions of displaced farmers and farmworkers?

I hope not.

The social cost of such a policy is certainly not worth whatever relatively small amount the administration hopes to save on this bill.

In voting on H.R. 18546 we face a difficult choice.

The bill passed by the Senate was modest, yet sound. The Senate committee, especially its chairman, is to be commended for its work on the Senate version of H.R. 18456.

A return to confernce would mean further delay in getting this year's farm program underway.

Yet I will support this step as more acceptable than the present conference bill, and I urge my colleagues to do the same.

There are critics of the farm program who say that it is obsolete—that parity should be abandoned, that the structure should be made less rigid.

Some criticisms of the program are no doubt valid.

Yet we cannot abandon parity of income as this bill would do. We must insure that the health of the farm community, on which we all depend, improves with the rest of our economy.

Mr. BYRD of West Virginia. Mr. President, I support the House-Senate conference report on the omnibus farm bill, which is now before the Senate.

The conference report establishes an annual ceiling of $55,000 per crop on payments to producers of upland cotton, wheat, and feed grains. I have twice voted for the lower $20,000 ceiling on price support payments and, like many of my colleagues, would still prefer the lower figure. However, I am not unmindful of the fact that this is the first time that a limitation has been enacted in basic law; and, because of this fact, I feel that this bill is a move in the direction of improving the conditions under which Federal subsidies are given to large farmowners. West Virginia farmers do not receive price support payments in the amount of $20,000 or above, so the limitation will not affect them.

Beyond the question of price support payments, Mr. President, the conference report now before the Senate establishes improved programs for both producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities.

The report also extends the provisions of Public Law 480, commonly known as the "Food for Peace" program. Under this program, almost $12 billion of American farm products have been shipped abroad over the past 15 years. Public Law 480 sales on long-term dollar credit amounted to $1.4 billion during that period. Efforts made under this program have enabled the American farmer to harvest a fair share of the rewards of international agriculture.

Mr. President, I support the conference report now before the Senate and feel that its passage will be beneficial not only to the American agricultural community, but to the general population as well.

NO TO LOWER FARM INCOME

Mr. CHURCH. Mr. President, today we have before this body for consideration a farm bill. It is a strange measure and it places those of us who must vote it either up or down in an extremely difficult situation. Long ago, all of us knew that this moment would come, the time when we would have to cast our final vote on one of the most controversial pieces of legislation which has been before the 91st Congress. Now the hour grows late. We are in a lame duck session, called together for the first time in many years following an election which was one of the most hard-fought and vindictive in recent memory. We are faced with a bill which was roundly attacked during that election—some maintain that its contents were responsible for startling Democratic gains in Republican farm areas.

This is a bill which no one, with the exception of the Nixon administration, wants. It is the result of 18 months of nonleadership from the Department of Agriculture. So well did the Nixon administration conceal its intent on farm policy that the President of the United States did not even bother to deliver a farm message. The last President, incidentally, who did not deliver a farm message was Herbert Hoover.

This bill, as changed by the conference, will reduce the income of American farmers by approximately $1.2 billion in the next 3 years. This loss of farm income comes at a time when the per capita income of the American farmer is already well below the national average. In my own State, the trend of the agricultural economy is clear. From 1961 to 1965, Idaho's total farm employment averaged 66,000 persons. By 1967 that figure had dropped to 50,000. In 1968, it stood at 48,000. It is even lower today. Value of principal crops in Idaho declined by $14,614,000 in 1968. This reduction, as we are all too aware, came in a time of rising inflation, exhorbitant freight rate increases granted to the railroads by the Interstate Commerce Commission, and ever-rising costs of farm operation and equipment.

I have spent the last month in Idaho. In the last week, I have been in touch with the heads of Idaho's major farm organizations. Regardless of their differing views as to whether or not this conference report should be adopted, all agreed on one thing—no one likes this bill.

The argument I have heard the most in favor of supporting the conference report is that should it go down to defeat, there may well be no farm program. This argument is one which I simply cannot accept. I cannot believe that the membership of the Senate or the House would allow this session to end without a farm program.

To me, the alternatives appear to be only two. We may either meekly submit or engage in what may well be a losing fight for the farmers we represent. I was not sent to the Senate to vote for farm programs that would further endanger the agricultural economy. I was not supported by the farmers of Idaho to "go along."

I cannot, in good faith, vote for this conference report. In the slang of the day, that would be a "cop-out," a convenient excuse to submit rather than enlist in a lost cause. I, for one, would rather vote on the losing side than support a bill which can only contribute further to the decline of farm income in Idaho and throughout the country.

The PRESIDING OFFICER. The time of 3:30 has arrived.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the adoption of the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. COTTON (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Ohio (Mr. SAXBE). Were he present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore I withdraw my vote.

Mr. SCOTT. Mr. President, on this vote I have a pair with the distinguished Senator from Texas (Mr. TOWER). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. BYRD of West Virginia (after having voted in the affirmative). Mr. President, on this vote I have a live pair with the distinguished junior Senator from Indiana (Mr. BAYH). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Having already voted in the affirmative, I therefore withdraw my vote.

Mr. KENNEDY. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Connecticut (Mr. DODD), the Senator from Tennessee (Mr. GORE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Maryland (Mr. TYDINGS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Hawaii (Mr. FONG), the Senator from Oregon (Mr. HATFIELD), the Senator from Ohio (Mr. SAXBE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Illinois (Mr. PERCY) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from New Jersey (Mr. CASE) would vote "yea."

The respective pairs of the Senator from Ohio (Mr. SAXBE) and that of the Senator from Texas (Mr. TOWER) have been previously announced.

On this vote, the Senator from Illinois (Mr. PERCY) is paired with the Senator from South Dakota (Mr. MUNDT). If present and voting, the Senator from Illinois would vote "yea" and the Senator from South Dakota would vote "nay."

The result was announced—yeas 48, nays 35, as follows:

[No. 387 Leg.]

YEAS—48

Aiken	Dole	Miller
Allen	Dominick	Murphy
Allott	Eastland	Packwood
Anderson	Ervin	Pastore
Baker	Fannin	Pearson
Bellmon	Fulbright	Pell
Bennett	Griffin	Prouty
Bible	Gurney	Randolph
Boggs	Hansen	Russell
Brooke	Holland	Smith
Byrd, Va.	Hruska	Sparkman
Cannon	Javits	Spong
Cook	Jordan, N.C.	Stennis
Cooper	Jordan, Idaho	Stevens
Cranston	McClellan	Talmadge
Curtis	McIntyre	Thurmond

NAYS—35

Burdick	Jackson	Muskie
Church	Kennedy	Nelson
Eagleton	Long	Proxmire
Ellender	Magnuson	Schweiker
Goldwater	Mansfield	Stevenson
Goodell	Mathias	Symington
Gravel	McGee	Williams, N.J.
Harris	McGovern	Williams, Del.
Hart	Metcalf	Yarborough
Hartke	Mondale	Young, N. Dak.
Hughes	Montoya	Young, Ohio
Inouye	Moss	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—3

Byrd of West Virginia, for.
Cotton, against.
Scott, against.

NOT VOTING—14

Bayh	Hatfield	Ribicoff
Case	Hollings	Saxbe
Dodd	McCarthy	Tower
Fong	Mundt	Tydings
Gore	Percy	

So the conference report was agreed to.

Mr. HOLLAND. I move to reconsider the vote by which the conference report was agreed to.

Mr. MILLER and Mr. TALMADGE moved to lay the motion on the table.

The motion to lay on the table was agreed to.

AN EXPRESSION OF THE SYMPATHY OF THE SENATE FOR THE PEOPLE OF PAKISTAN

Mr. SCOTT. Mr. President, I send to the desk a resolution sponsored by myself and the distinguished majority leader and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 484

Whereas the people of Pakistan suffered a devastating blow as a result of the cyclone and tidal waves on November 13, 1970; and

Whereas the cyclone and tidal waves caused the loss of thousands of lives and the destruction and devastation of many towns and villages rendering homeless and destitute many thousands of people; and

Whereas the Government and people of the United States in their compassion and sympathy can be expected to open their hearts and material resources to the needs of the people of Pakistan in their tragic hour of bereavement and suffering: Therefore, be it

Resolved, That the Senate extends its deepest sympathy to the President and the people of Pakistan in this dark hour of their suffering and distress.

Sec. 2. Copies of the present resolution shall be distributed through appropriate channels to the President of Pakistan.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 484) was considered and unanimously agreed to.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1971

Mr. MAGNUSON. Mr. President, may I ask what is the pending business?

The PRESIDING OFFICER (Mr. FANNIN). Without objection the Chair now lays before the Senate the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows: H.R. 18515, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1971, and for other purposes.

Mr. MAGNUSON. Mr. President, the Senator from New York (Mr. JAVITS), for the benefit of the Senate, submitted an amendment last night, which is now at the desk and which was divided into five different amendments to the bill. We asked for a division of those amendments, which is automatically granted under the rule.

Now the Senator from New York, of course, has the opportunity to move to bring up any one of those 5 amendments.

Mr JAVITS. I thank the Senator from Washington.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr FANNIN). The Senator from New York will state it.

Mr. JAVITS. Is my amendment now before the Senate?

The PRESIDING OFFICER. Yes.

Mr. JAVITS. The whole amendment?

The PRESIDING OFFICER. Yes, as modified.

Mr JAVITS. And each part will be considered separately; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Is it also correct that the first vote will come on what has been designated as the first part of the amendment—to wit, page 1, line 1, to page 2, line 4, inclusive?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. I think we can go ahead with the debate. I must tell the Senate that I understand the problem. I think we could get together on the various aspects of the money. I realize that the question of administration is difficult.

The fact is that as the amendment now stands, and as we will see about it in the course of debate, the first vote will come on the really basic proposition: Shall we increase the amount and shall we at one and the same time, vest the administration in the same way it has been vested up to now—to wit, in the OEO, which in turn has delegated administration to other agencies, by agreement, to wit, the Department of Labor and the Department of HEW.

A real issue is on the money side, which I will discuss in a minute.

On the question of administration, the basic question is this: Until the end of this fiscal year, June 30, 1971, we would be allowing the OEO to continue to coordinate the whole program, including the manpower training phases of it and the education phases of it, although practically it will actually be carried out by agreement, with the OEO, by the other two Government departments.

There is no question about the fact that, beginning July 1, 1971, approximately what this appropriation bill as it now stands, will probably happen; so that the issue is whether we shall continue the present practice until the end of this fiscal year, or shall we immediately go to what probably will be the new practice?

It is a fact that the operations of the OEO under this particular legislation in the past 2 years, including this fiscal year, have been to emphasize a shift in its operations to innovation, to the kind of projects which community action agencies are in the best position to handle. It has gradually been reforming itself in the expectation that if there is a renewal of the legislation, the renewal will be put into effect. If the new system were established, the Government departments will be administering the Headstart and manpower programs which we have been discussing.

There is a strong case, we believe, on the legislative side—and it is significant—that the sponsors of this amendment are largely the members of the Committee on Labor and Public Welfare on both sides of the aisle. We feel that this still is not finally developed, that there is still an advantage to giving the OEO the top management of the whole enterprise, and giving it a voice in the decisions as to the extent to which the poor shall themselves be tied into these operations, the extent to which they shall be handled by community action agencies and other community groups, and the extent to which other agencies and municipalities concerned with poverty programs, shall be involved as opposed to completely leaving it to the Government departments with their traditional patterns for dealing with money. There is still enough of a poverty stamp on the requirements for the utilization of the funds to make it inadvisable to shift now.

I think I speak for all the sponsors in saying that in our legislative activity—and we are all members—the Senator from Wisconsin (Mr. NELSON) is the chairman of the subcommittee, and I and others concerned, such as the Senator from Massachusetts (Mr. KENNEDY), the Senator from California (Mr. CRANSTON)—we are all members of the Labor and Public Welfare Committee and we are completely ready and desirous of putting some new system into effect as of the beginning of the next fiscal year,

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

AUGUST 12 (legislative day, AUGUST 11), 1970

Referred to the Committee on Agriculture and Forestry and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. MONTOYA to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 26, beginning with "The" in line 16, strike out all down through the period in line 21, and insert in lieu thereof the following: "The payment rate for corn shall be established at a rate which will, when added to the level of the loan established under subsection (a) (1) of this section, equal not less than 77 per centum of the parity price for such commodity."

Amdt. No. 836

Amdt. No. 836

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. MONTOYA to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

AUGUST 12 (legislative day, AUGUST 11), 1970
Referred to the Committee on Agriculture and Forestry and ordered to be printed

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

AUGUST 18, 1970

Referred to the Committee on Agriculture and Forestry and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. MONDALE (for himself and Mr. BURDICK) to H.R. 18546, an Act to establish programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 14, after the period in line 7, add the following:

"The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within thirty days following signup for the program.

On page 16, between lines 17 and 18, insert the following:

"(j) A producer shall be entitled, under such rules and regulations as may be prescribed in the wheat program for-

mulated under this section, an amount in cash equal to not less than 50 per centum of the face value of the domestic marketing certificates issued for the farm of such producer.

On page 27, after the period in line 5, add the following:

"The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within thirty days following signup for the program.

On page 34, beginning with line 3, strike out all down through line 9, and insert in lieu thereof the following:

"(g) The Secretary shall make not less than 50 per centum of any payments under this subsection to producers within thirty days following signup for the program.

Amdt. No. 845

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. MONDALE (for himself and Mr. BURDICK) to H.R. 18546, an Act to establish programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade and Assistance Act of 1954, as amended, and for other purposes.

AUGUST 18, 1970

Referred to the Committee on Agriculture and Forestry and ordered to be printed

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

AUGUST 19, 1970

Referred to the Committee on Agriculture and Forestry and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself and Mr. WILLIAMS of Delaware) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz: On page 1, beginning with line 7, strike out all down through line 3 on page 2, and insert in lieu thereof the following:

(1) The total amount of payments which any person shall be entitled to receive under the annual programs provided for under titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodities shall not

exceed $20,000. The Secretary shall not permit the sale, lease, or transfer of any acreage allotment for any farm if he determines that such action is intended primarily for the purpose of evading the limitation prescribed in this subsection.

Amdt. No. 846

91st CONGRESS
2d SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself and Mr. WILLIAMS of Delaware) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

AUGUST 19, 1970

Referred to the Committee on Agriculture and Forestry and ordered to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9, 1970

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself, Mr. WILLIAMS of Delaware, Mr. CANNON, Mr. CASE, Mr. HART, Mr. MCINTYRE, Mr. MATHIAS, Mr. PROUTY, and Mr. SCHWEIKER) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz: On page 57, at line 21, strike out lines 21 through and including line 25 and insert the following:

(1) The total amount of payments which any person shall be entitled to receive under the annual programs provided for under titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodities shall not exceed

Amdt. No. 883

$20,000. The Secretary shall not permit the sale, lease, or transfer of any acreage allotment or base acreage for any farm if he determines that such action is intended primarily for the purpose of evading the limitation prescribed in this subsection.

Amdt. No. 883 Calendar No. 1172

91st CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself, Mr. WILLIAMS of Delaware, Mr. CANNON, Mr. CASE, Mr. HART, Mr. MCINTYRE, Mr. MATHIAS, Mr. PROUTY, and Mr. SCHWEIKER) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 9, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MONDALE (for himself and Mr. NELSON), to H.R 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 61, line 22, strike out "ninety days later" and insert in lieu thereof "within ninety days".

On page 64, between lines 2 and 3, insert the following:

"(d) The provisions of this section shall not be effective after December 31, 1973.".

Amdt. No. 889

Amdt. No. 889 Calendar No. 1172

91st CONGRESS
2d Session

H. R. 18546

AMENDMENTS

Intended to be proposed by Mr. Mondale (for himself and Mr. Nelson) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

September 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 95, at line 10, after the word "of", strike all through the semicolon on line 11 and insert "eleven million five hundred thousand acres;".

On page 99, at line 9, after the word "be", insert "eleven million five hundred thousand acres for the 1971 crop."

Amdt. No. 890

Amdt. No. 890 Calendar No. 1172

91st CONGRESS
2d SESSION

H. R. 18546

AMENDMENTS

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 69, at line 15, insert the following after the period: "*Provided*, That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of

not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

On page 87, at line 10, insert the following after the period: "*Provided,* That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

Amdt. No. 891 Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENTS

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1970
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz: On page 129, at line 23, add a new subsection to read:

SEC. 907. Acreage left unplanted because of skip row practices shall not be eligible as set aside.

Amdt. No. 892

Amdt. No. 892 Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91st CONGRESS
2d Session

H. R. 18546

IN THE SENATE OF THE UNITED STATES

September 11, 1970
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. Percy (for himself and Mr. Smith of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 108, line 17, strike the period and insert the following: ", provided only that he shall have previously determined that such planting is needed to provide an adequate supply of cotton or other commodities, is not likely to increase the cost of the price-support program, and will not adversely affect farm income."

Amdt. No. 893

Amdt. No. 893 Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. PERCY (for himself and Mr. SMITH of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 71, line 15, strike "75" and insert "50".

On page 89, at line 13, after the word "Secretary", insert the following: "(not to exceed 50 per centum of the base acreage allotment)".

On page 108, at line 11, strike "12½" and insert "50".

Amdt. No. 894

Amdt. No. 894 Calendar No. 1172

91st CONGRESS
2d Session

H. R. 18546

AMENDMENTS

Intended to be proposed by Mr. Percy (for himself and Mr. Smith of Illinois) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

September 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself and Mr. PERCY) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 87, at line 15, insert the following after "adjustments": "for abnormal yields in the preceding year caused by drought, flood, corn blight, or other natural disaster".

Amdt. No. 895

Amdt. No. 895 Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself and Mr. PERCY) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself and Mr. PERCY) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 114, strike all of section 610.

Amdt. No. 896

Amdt. No. 896 Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. SMITH of Illinois (for himself and Mr. PERCY) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 11, 1970

Ordered to lie on the table and to be printed

Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 1970
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MONDALE (for himself, Mr. MONTOYA, Mr. PROXMIRE, Mr. HARRIS, Mr. MCGOVERN, Mr. YARBOROUGH, Mr. HUGHES, Mr. MCGEE, Mr. ANDERSON, Mr. NELSON, Mr. SYMINGTON, Mr. EAGLETON, Mr. GORE, Mr. BURDICK, Mr. HARTKE, and Mr. BAYH) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, viz:

On page 87, line 7, strike out "$1.35 per bushel" and insert in lieu thereof the following: "(A) $1.35 per bushel, or (B) 77 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the

Amdt. No. 902

commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater".

Amdt. No. 902 Calendar No. 1172

91ST CONGRESS
2D SESSION

H. R. 18546

AMENDMENT

Intended to be proposed by Mr. MONDALE (for himself, Mr. MONTOYA, Mr. PROXMIRE, Mr. HARRIS, Mr. MCGOVERN, Mr. YARBOROUGH, Mr. HUGHES, Mr. MCGEE, Mr. ANDERSON, Mr. NELSON, Mr. SYMINGTON, Mr. EAGLETON, Mr. GORE, Mr. BURDICK, Mr. HARTKE, and Mr. BAYH) to H.R. 18546, an Act to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

SEPTEMBER 14, 1970

Ordered to lie on the table and to be printed

Public Law 91-524
91st Congress, H. R. 18546
November 30, 1970

An Act

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1970". Agricultural Act of 1970.

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed $55,000. Post, pp. 1362, 1368, 1371.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases. "Payments." 84 STAT. 1358 84 STAT. 1359

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. Regulations.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a 79 Stat. 1187. 7 USC 608c.

representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk a producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the some basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmer. not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the represensative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable

participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

49 Stat. 759; 75 Stat. 305. 7 USC 608c.

49 Stat. 760. 7 USC 608c.

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

48 Stat. 31; 50 Stat. 246. 7 USC 601 note.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

7 USC 608c note.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

49 Stat. 755. 7 USC 608c. Termination provisions.

(e) The provisions of this section shall not be effective after December 31, 1973 except with respect to orders providing for Class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, 1976.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

Price supports.

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

Designated nonbasic commodities. 63 Stat. 1052.

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

Milk and butterfat. 68 Stat. 899; 70 Stat. 86.

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

81 Stat. 464.

DAIRY INDEMNITY PROGRAM

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90–484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, 1973.".

7 USC 4501.

Milk removal.
82 Stat. 750.
7 USC 450j.

(b) The first sentence of section 1 of said Act is amended by inserting, "and manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products," after "milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.".

TITLE III—WOOL

Price supports.
68 Stat. 910;
79 Stat. 1188;
82 Stat. 996.
7 USC 1782.

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "*Provided further*, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis.".

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "*Provided*, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis.".

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

Price support levels.
79 Stat. 1203.
7 USC 1445a.

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

Loans and purchases, availability.

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: *Provided*, That in no event shall such level be in excess of the parity price for wheat or less than $1.25 per bushel.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

Post, p. 1363.

Marketing certificates.
79 Stat. 1202;
76 Stat. 627;
78 Stat. 180.
7 USC 1379b, 1379c.

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year

Face value.

for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

Availability, determination.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

Set-aside acreage provision.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary and will be estimated by the Secretary to result in a set-aside not in excess of 13.3 million acres in the case of the 1971 crop, or 15 million acres in the case of the 1972 or 1973 crop, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

Acreage limitation.

52 Stat. 31; 78 Stat. 743. 16 USC 590h.

Land diversion payments.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

Rates.

Acreage limitation.

Protection of acreage.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on

such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

Filing of agreement.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

Soil conserving uses for acreage.

Termination or modification of agreement.

Certificate sharing.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

Noncompliance with program.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

Advancement.

"(f) The Secretary shall advance to producers, as soon as practicable after July 1 of the year in which the crop is harvested, an amount equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined is less than the advance, the difference shall not be required to be repaid.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

Marketing cards, etc.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

Farm domestic allotment.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop (not less than 535 million bushels). The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the

Apportionment among States.

States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

County apportionment.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

Factors determining allotment.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. The farm domestic allotment for the 1971 crop of wheat shall be determined by multiplying the farm acreage allotment established for the 1971 crop by a national allocation percentage established in the same manner as for the 1970 crop, but which will result in the allotment of a total of not less than 19.7 million acres and will be based on a wheat marketing allocation of not less than 535 million bushels. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

Acreage adjustments.

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages and to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

Conditions for reducing allotment.

"(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such

farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act."

Marketing restrictions.

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

78 Stat. 181; 79 Stat. 1202, 1203.
7 USC 1379d.

(1) by deleting in the first sentence of section 379d(b) the words "During any marketing year for which a wheat marketing allocation program is in effect," and substituting "During each marketing year,";

(2) by adding at the end of section 379d(b) the following: "Notwithstanding the foregoing, the Secretary is authorized, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974.

Marketing certificates, sale.
79 Stat. 1206.
7 USC 1709e.

(3) by adding at the end of section 379e the following: "Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel."

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

52 Stat. 52; 76 Stat. 622.
7 USC 1331-1339.

(1) sections 331, 332, 335, 336, 338, and 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) sections 333 and 334 shall not be applicable to the 1972 and 1973 crops of wheat;

79 Stat. 1199.
72 Stat. 995.
7 USC 1378.

(3) by adding in section 378 a new subsection (e) to read as follows:

"(e) The term 'allotment' as used in this section includes the domestic allotment for wheat."

79 Stat. 1211.
7 USC 1379.

(4) by adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." and

76 Stat. 626.
7 USC 1385.

(5) by adding in the first sentence of section 385 after the words "parity payment," the words "payments (including certificates) under the wheat and feed grain set-aside programs,".

Transfer of allotments, etc.

SEC. 405. Effective only with respect to the 1971, 1972, and 1973

crops of wheat, section 706, Public Law 89–321 (79 Stat. 1210), is amended as follows: 7 USC 1305.

(1) by adding in the first sentence after the words "the Soil Conservation and Domestic Allotment Act, as amended," the words "or the Agricultural Act of 1949, as amended,"; and

(2) by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the domestic allotment for wheat." "Acreage allotments."

Sec. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973. Marketing excess penalty. 7 USC 1330, 1340.

Sec. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by the amount by which the actual total production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for such crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith. Storage. Ante, p. 1365. Applicability.

Sec. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity the Agricultural Act of 1949 as amended is further amended by adding in section 408 a new subsection (k) as follows: 63 Stat. 1055. 7 USC 1428.

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

Sec. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows: 63 Stat. 1055; 79 Stat. 1197; 82 Stat. 703, 996. 7 USC 1427.

(1) by deleting in the third sentence the language following the third colon and substituting the following: "*Provided*, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges."

(2) by deleting in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and substituting "current basic county loan rate (or a comparable price if there is no current basic county loan rate)", and

(3) by deleting in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities." and substituting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use."

Sec. 410. Notwithstanding any other provision of law, for the 1971, 1972, and 1973 crops of wheat, feed grains and cotton, if in any year at

least 55 per centum of the cropland acreage on an established summer fallow farm is devoted to a summer fallow use, no further acreage shall be required to be set aside under the wheat, feed grain and cotton programs for such year.

TITLE V—FEED GRAINS

Loans and purchases.
72 Stat. 994; 79 Stat. 1188.
7 USC 1441 note.

SEC. 501. Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 105. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

63 Stat. 1054; 78 Stat. 175.
7 USC 1421.

"(b) (1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than (A) $1.35 per bushel, or (B) 70 per centum of the parity price of corn as of the beginning of the marketing year, whichever is the greater. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. Notwithstanding the foregoing, the rate of payment for the 1973 crop shall not be such as will result in a total amount of payments which the Secretary estimates will be made pursuant to this subsection with respect to the 1973 crop of feed grains above the total amount of payments made pursuant to this subsection with respect to the 1972 crop of feed grains by reason of the level specified in clause (B) being fixed above 68 per centum of the parity price for corn.

Payments, computation.

"(2) The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

Feed grain base, reduction.

"(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed

grain base, such farm shall lose its feed grain base: *Provided*, That no farm feed grain base shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. If for any crop, the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye, and barley, if not designated by the Secretary as provided above. Such section 328 shall be effective in 1971, 1972, 1973 to the same extent as it would be if a diversion program were in effect for feed grains during each of such years. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

Cropland, set-aside.

76 Stat. 631; 79 Stat. 1206. 7 USC 1339c. "Feed grains."

52 Stat. 31; 78 Stat. 743. 16 USC 590h.

Land diversion payments.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

Lands, public use, additional payments.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

Payment sharing.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: *Provided*, That except for acreage provided for in subsection (b)(3),

52 Stat. 31; 78 Stat. 743. 16 USC 590h.

adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

"(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghums and, if designated by the Secretary, barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment. If the set-aside in effect under subsection (c) is less than 20 per centum of the feed grain base, the preliminary payment rate under this subsection shall be reduced proportionately. Preliminary payments.

"(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section. Regulations.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows: 52 Stat. 31. 7 USC 1281 and note.

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops. 7 USC 1342-1346, 1377.

(2) A new section 342a is added to read as follows:

"SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton production goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar National cotton production goal.

year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

Acreage allotments, sale or lease.
79 Stat. 1197; 82 Stat. 996.
7 USC 1344b.

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for which a farm base acreage allotment is established (other than pursuant to section 350(e)(1)(A)) for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

Post, p. 1373.

Limitation.

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: *Provided*, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

52 Stat. 31; 78 Stat. 743.
16 USC 590h.

79 Stat. 1193.
7 USC 1350.
National base acreage allotment, establishment.

(4) Section 350 of the Act is amended to read as follows:

"SEC. 350. (a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national

base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

Apportionment to States.

"(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

Apportionment to counties.

"(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b) : *Provided*, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

"(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

Apportionment to farms.

"(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other

natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grains are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

Farm base acreage allotment, termination.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: *Provided*, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e)(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

Post, p. 1376.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

72 Stat. 989; 79 Stat. 1194. 7 USC 1444.

"(e)(1) The Secretary shall upon presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the acreage world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment of such a loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secretary annually pursuant to a published regulation which shall specify the procedures and the factors be to used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective. Notwithstanding the foregoing, if the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop exceeds 7.2 million bales, producers on any farm harvesting cotton of such crop from an acreage in excess of the base acreage allotment for such farm shall be entitled to loans and purchases only on an amount of the cotton of such crop produced on such farm determined by multiplying the yield used in computing payments for such farm by the base acreage allotment for such farm. Loans.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch upland cotton (micronaire 3.5 through 4.9) in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the national base acreage allotment for the 1971 crop to (ii) the national base acreage allotment for the crop for which the rate is being determined: *Provided*, That the payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3). The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment. Payments. Small farm, payment bonus. Ante, p. 1374.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted

within the farm base acreage allotment for the farm for the crop by the average yield established for the farm: *Provided*, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968 and 1969: *Provided*, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: *Provided further*, That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

Set-aside cropland program.

"(4)(A) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 28 per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary.

Production restriction, authority.

If the Secretary determines prior to the planting season for such crop that the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop will exceed 7.2 million bales, the Secretary is authorized for such crop to limit the acreage planted to upland cotton on the farm in excess of the farm base acreage allotment to such percentage of the farm base acreage allotment as he determines necessary to reduce the total supply to a reasonable level. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

52 Stat. 31; 78 Stat. 743. 16 USC 590h.

Land diversion payments. Ante, p. 1375.

"(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to

that required to be so devoted under subsection (e)(4)(A). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

Total diverted acreage, limitation.

"(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

Recreational use, additional payments.

"(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

Tenants equitable share.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

80 Stat. 1167. 16 USC 590h.

Sec. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one-

79 Stat. 1197. 7 USC 1427.

inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

63 Stat. 1055; 79 Stat. 1197. 7 USC 1428.

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "*And provided*, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

Ante, p. 1375.

52 Stat. 31. 7 USC 1281. 72 Stat. 995. 7 USC 1378 and note.

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

79 Stat. 1211. 7 USC 1379.

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

52 Stat. 68. 7 USC 1385.

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside program,".

7 USC 1305. "Acreage allotments."

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89-321 (79 Stat. 1210) is amended by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

Ante, p. 1367.

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

"REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

7 USC 1422, 1423, 1426, 1431. 7 USC 1421.

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

Nonapplicability.

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

70 Stat. 212. 7 USC 1446d. Annual report to Congress.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

62 Stat. 1072. 15 USC 714c. 80 Stat. 279. 7 USC 2101 note. 7 USC 2106.

SEC. 610. The Commodity Credit Corporation, in furtherance of its powers and duties under subsections (e) and (f) of section 5 of the Commodity Credit Corporation Charter Act, shall, through the Cotton Board established under the Cotton Research and Promotion Act, and upon approval of the Secretary, enter into agreements with the contracting organization specified pursuant to section 7(g) of that Act for the conduct, in domestic and foreign markets, of market develop-

ment, research or sales promotion programs and programs to aid in the development of new and additional markets, marketing facilities and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings. Each year the amount available for such agreements shall be that portion of the funds (not exceeding $10,000,000) authorized to be made available to cooperators under the cotton program for such year but which is not paid to producers because of a statutory limitation on the amounts of such funds payable to any producer. The Secretary is authorized to deduct from funds available for payments to producers under section 103 of the Agricultural Act of 1949, as amended, on each of the 1972 and 1973 crops of upland cotton such additional sums for use as specified above (not exceeding $10,000,000 for each such crop) as he determines desirable; and the final rate of payment provided in section 103 if higher than the rate of the preliminary payment provided in such section shall be reduced to the extent necessary to defray such costs. No funds made available under this section shall be used for the purpose of influencing legislative action or general farm policy with respect to cotton.

Ante, p. 1374.

Use of funds, restriction.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.".

80 Stat. 1537; 82 Stat. 450.

SEC. 702. Section 104 of such Act is amended by inserting before the comma at the end of paragraph (1) of the first proviso following subsection (k) the following: ", and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies".

80 Stat. 1528. 7 USC 1704.

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

76 Stat. 606. 16 USC 590p.

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

Retired farmers, assistance.

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "*Provided*, That any agree-

ments entered into under this section after July 1, 1970, shall prohibit grazing of such acreage.".

76 Stat. 606; Ante, p. 1379. 16 USC 590p. Wildlife, recreational usage.

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

Advisory Board, appointment.

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community."

Total retired acreage, limitation.

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies and other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of $250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate." Payments, limitation.

(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreements with producers which would require payments to producers in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State or local government agencies in any calendar year under such agreements in excess of $10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made." 76 Stat. 606. 16 USC 590p.

(11) By striking out "June 30, 1963" in paragraph (7) and substituting "June 30, 1972".

(12) By inserting "farming opportunities and" preceding the words "interests of tenants and sharecroppers in paragraph (3)".

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 and subsequent crops of peanuts." 71 Stat. 344.

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or

base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

Losses due to pesticide residues.

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

Appropriations.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Regulations.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

Effective date.

(f) The provisions of this section shall not be in effect after December 31, 1973.

Hay production on set-aside or diverted acreage.
Ante, pp. 1362, 1368, 1371.

SEC. 805. (a) Notwithstanding any other provision of law, the Secretary shall permit any producer who is participating in the wheat program under title IV of this Act, in the feed grain program under title V of this Act, or in the cotton program under title VI of this Act, in any year in which an acreage diversion or set-aside program is in effect, under any such program in which such producer is participating, subject to the conditions prescribed in subsection (b) of this section, to plant and harvest hay from 25 per centum of the acreage on the farm diverted from production under such programs or twenty-five acres, whichever is greater.

(b) Any producer who elects to plant and harvest hay on diverted or set aside acreage pursuant to this section shall first agree not to use any such hay harvested from such acreage unless authorized to do so by the Secretary.

(c) When any diverted or set aside acreage has been planted and harvested under authority of this section, the hay harvested therefrom shall be baled and stored in sealed storage on the farm in accordance with such regulations as the Secretary may prescribe and shall be available only for use during periods of emergency declared by the Secretary. In order to avoid deterioration of such hay stored on the farm for emergency purposes pursuant to this section, the Secretary may permit such hay to be removed and used or sold from time to time so long as an amount of hay equal to the amount removed is previously placed in storage and sealed.

(d) Any farmer who has hay stored on his farm for emergency purposes pursuant to this section may remove such hay from storage and use it whenever the Secretary has (1) designated as an emergency area the area in which such farm is located, and (2) specifically authorized the use of emergency hay by farmers in the area.

Hay storage, loans, conditions.

(e) The Secretary of Agriculture is authorized to make or guarantee loans to farmers, both tenants and landowners, to assist such farmers in the construction of storage facilities on the farm for the storage of emergency hay pursuant to the provisions of this section if such farmers are unable to obtain loans from commercial sources at reasonable rates and on reasonable terms and conditions. Loans made by the Secretary under this subsection shall be made at the current rate of

interest for periods not exceeding ten years, and on such other terms and conditions as the Secretary may prescribe.

SEC. 806. (a) Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), is amended by adding at the end thereof a new subsection as follows: 80 Stat. 1318; 82 Stat. 770.

"(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year."

(b) Subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921–1929), is amended by adding at the end thereof a new section as follows: 75 Stat. 307.

"SEC. 310. Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subtitle shall remain available until expended."

TITLE IX—RURAL DEVELOPMENT

COMMITMENT OF CONGRESS

SEC. 901. (a) The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

LOCATION OF FEDERAL FACILITIES

(b) Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain, insofar as practicable, departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations. Report to Congress.

PLANNING ASSISTANCE

(c) The Secretary of the Department of Housing and Urban Development and the Secretary of Agriculture shall submit to the Congress a joint progress report as to their efforts during the immediately preceding fiscal year to provide assistance to States planning for the development of rural multicounty areas not included in economically depressed areas under authority of the Housing and Urban Development Act of 1968. The first such annual report shall be submitted not later than December 1, 1970, and shall cover the period beginning August 1, 1968, the date of enactment of the Housing and Urban Development Act of 1968, and ending June 30, 1970. Report to Congress. 82 Stat. 476. 12 USC 1701t note.

INFORMATION AND TECHNICAL ASSISTANCE

(d) The Secretary of Agriculture shall submit to the Congress a report not later than September 1 of each fiscal year reflecting the efforts of the Department of Agriculture to provide information and technical assistance to small communities and less populated areas in regard to rural development during the immediately preceding fiscal year. The first such annual report shall be submitted not later than Report to Congress.

December 1, 1970, covering the period beginning July 1, 1969, and ending June 30, 1970. The Secretary shall include in such reports to what extent technical assistance has been provided through land-grant colleges and universities, through the Extension Service, and other programs of the Department of Agriculture.

GOVERNMENT SERVICES

Report to Congress.

(e) The President shall submit to the Congress a report not later than September 1 of each fiscal year stating the availability of telephone, electrical, water, sewer, medical, educational, and other government or government assisted services to rural areas and outlining efforts of the executive branch to improve these services during the immediately preceding fiscal year. The President is requested to submit the first such annual report, covering the fiscal year ending June 30, 1970, on or before December 1, 1970.

FINANCIAL ASSISTANCE

Report to Congress.

(f) The President shall report to Congress on the possible utilization of the Farm Credit Administration and agencies in the Department of Agriculture to fulfill rural financial assistance requirements not filled by other agencies. The President is requested to submit the report requested by this section on or before July 1, 1971, together with such recommendations for legislation as he deems appropriate.

Approved November 30, 1970.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 91-1329 (Comm. on Agriculture) and
No. 91-1594 (Comm. of Conference).
SENATE REPORT No. 91-1154 (Comm. on Agriculture and Forestry).
CONGRESSIONAL RECORD, Vol. 116 (1970):
Aug. 5, considered and passed House.
Sept. 14, 15, considered and passed Senate, amended.
Oct. 13, House agreed to conference report.
Nov. 19, Senate agreed to conference report.

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FOR IMMEDIATE RELEASE NOVEMBER 30, 1970

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have today signed the Agricultural Act of 1970, which agricultural leaders of both parties in Congress and of this Administration believe will establish a sound basis for an efficient agricultural economy keyed to opportunity and abundance in the 1970s.

Unlike many major farm bills of the past, this legislation is the product of bi-partisan cooperation, with both Republicans and Democrats working together for its passage. This Act moves away from the strict control structure of past farm legislation. It is designed to protect and improve farm income, and it gives producers a greater opportunity to expand and improve their farming operations. It also extends Public Law 480, the Food for Peace Program, the Wool Act, and several valuable dairy programs.

Under this Act, farmers will have the opportunity to move away from frozen acreages on feed grains, wheat, and cotton toward a wider choice of crops. With this greater capability to shift production to meet immediate market needs, farmers can utilize their resources to produce their most favorable crops and make more efficient use of the land. One important result should be broader markets for U. S. farm products both at home and overseas.

Modern American agriculture makes an indispensable contribution to the health and strength of this country. Only in America do so few farmers and ranchers produce so much, so reasonably, for so many. The improvement and strengthening of the farm economy and the development of our rural areas are primary goals of this Administration. Congressional and Administration architects of the Agricultural Act of 1970 are convinced that it will be an important step toward these goals.

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